Destination LA: A sightseeing tour for Dems

california JOURNAL

August 2000
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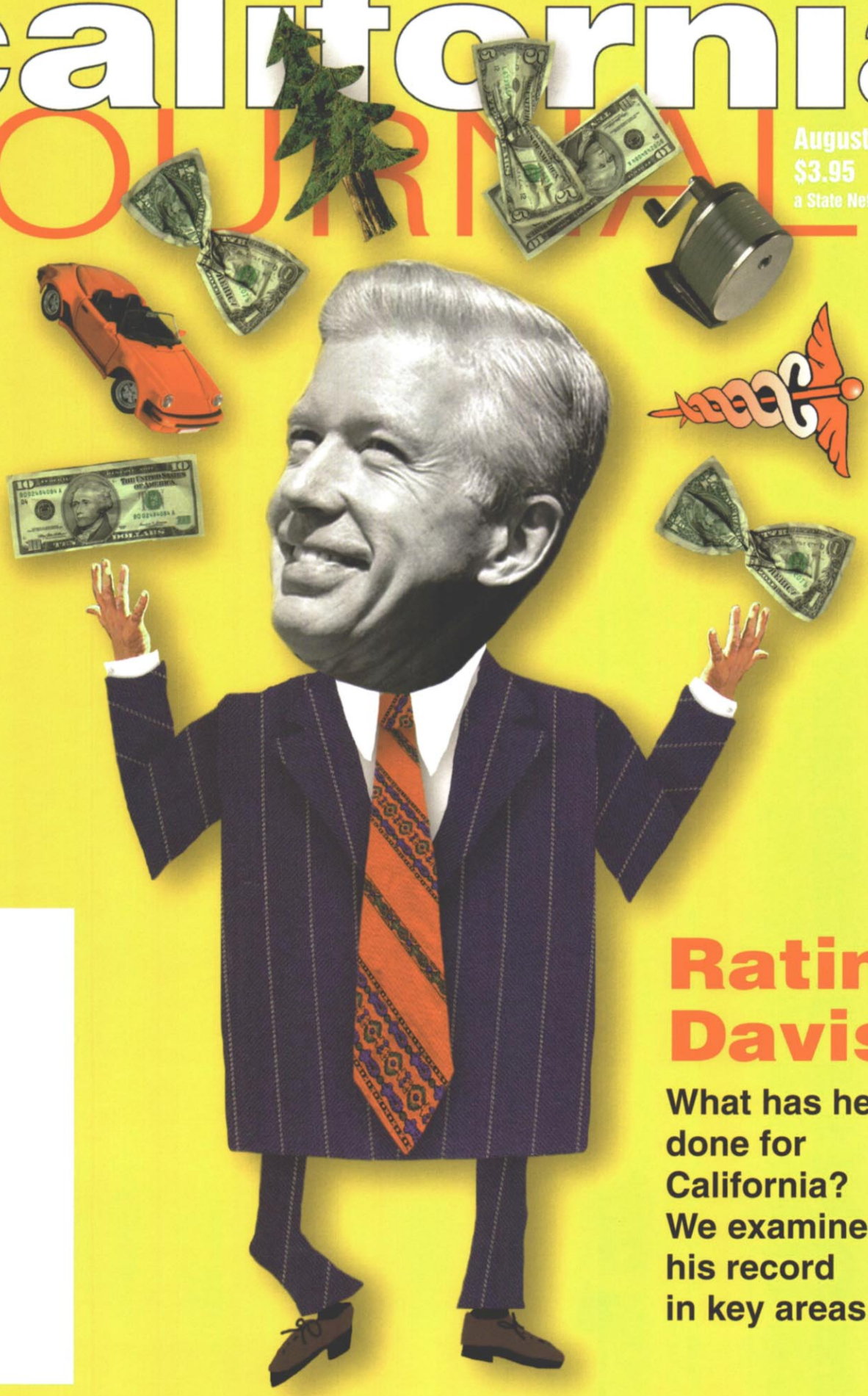

Rating Davis:

What has he done for California? We examine his record in key areas.

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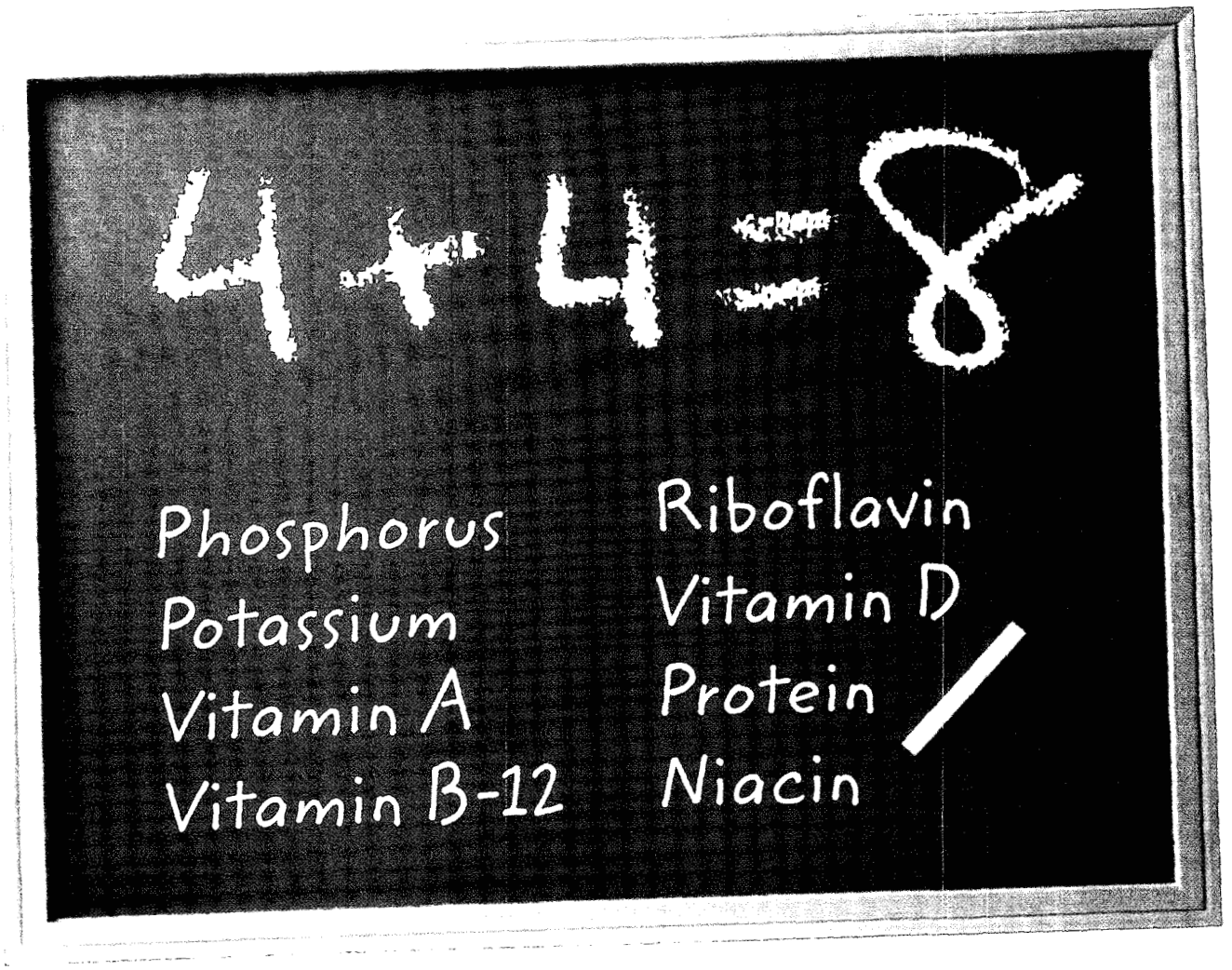

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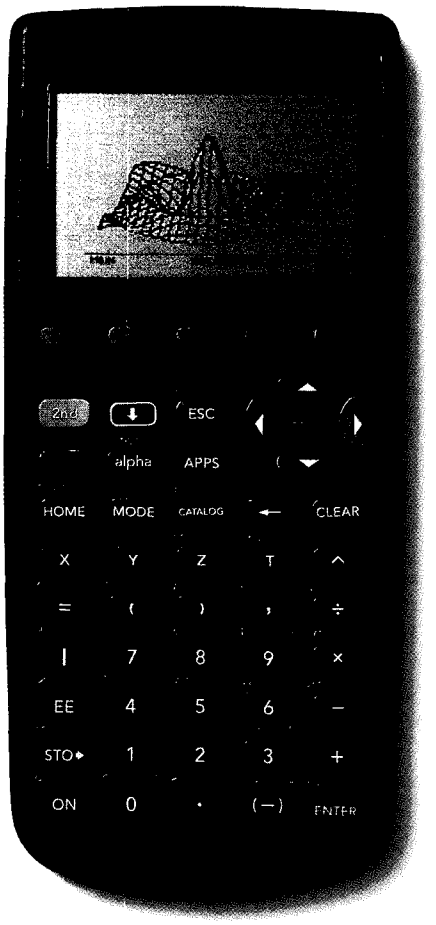

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california JOURNAL

August 2000
Volume XXXI, Number 8

Upfront

Rostrum
Letters to the Editor

D.C. Perspective
A new face for Dems
By Dana Wilkie

The Bottom Line
"Erratic civics" lesson
By Susan Rasky

Two Cents
Mexico's earthquaking election
By Emelyn Rodriguez

Swan song

For the last eight years, I have been blessed with the political junkie's dream job — writing about politics for the *California Journal*. By the time you read this, I will have traded in my press pass, my journalistic balance and even my pen name — Steve Scott — for a new role as communications director for the California Professional Firefighters.

Leaving journalism was a difficult choice to make, but not nearly as difficult as leaving State Net. *The Journal* is one of the more unique and respected publications going — a magazine committed to covering politics and policy in an honest, nonpartisan way. In an industry increasingly characterized by spin and sensationalism, this 30-year commitment is remarkable.

/ Steve Scott

The *Journal*'s credibility positions it to continue being what it has always been — a clear-eyed window into the workings of the Golden State.

My thanks to all who have made my association with the *Journal* so rewarding. And if you should see some spin doctor named Carroll Wills quoted here or elsewhere, just remember — you knew him when he was a pundit.

Cover by Dagmar Thompson

Rating Gray Davis

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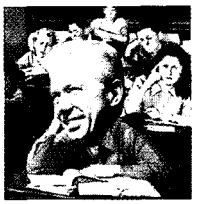
As Davis nears the halfway mark in his first term, we grade his performance on his No. 1 issue.
By Emelyn Rodriguez



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By Dana Wilkie

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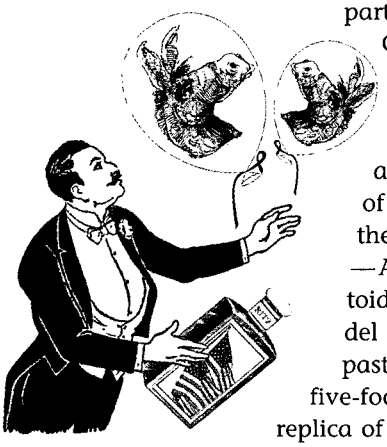
umbrage

Return engagement. He still can't get his calls returned by Texas Governor George W. Bush, but apparently there's at least one major national figure willing to be seen with former Governor Pete Wilson. Last week, Governor Gray Davis invited Wilson to Sacramento in his role as honorary chair of the latest effort to modify the two-thirds vote requirement on local school bonds. Wilson reportedly was diplomatic in deflecting questions about why Bush still hasn't publicly accepted the endorsement Wilson has had on the table for months. But he took a "been there, done that" approach to questions about the ongoing budget stalemate, telling one reporter he would have nothing to say on the subject. Quipped Capital Public Radio reporter Mike Montgomery, "Just like the old days, eh, governor?" Wilson congratulated Montgomery for his wit, then complimented him on the intelligence of his backside.

Puttin' on the ritz. The tourism industry in Los Angeles took a little ding when a few hundred drunken weenies got out of hand after the Lakers won the NBA championship. All the more reason to ensure that this month's showcase – the Democratic National Convention — is a big slice of visitor heaven. Doing their part are the area's Ritz-Carlton hotels, which will play host to delegates and other dignitaries. In addition to a variety of goodies playing on the name Al (as in Gore) — Al-phabet cookies, Al-toids, etc. — the Marina del Rey hotel's master pastry chef will concoct a five-foot, white chocolate replica of the White House. A Ritz-Carlton news release also promises a "Bath Menu" that "will be anything but conventional." From the news release: "The Bath Butler can be called upon to draw [a] bath that will consist of red, white and blue bath oil beads, balloons and streamers, donkey soaps, and a choice of red, white or blue martini." Bath Menu? Bath Butler? Pardon us for sounding declasse, but from where we sit, the fact that these things exist at all is "anything but conventional." Some might also suggest that these little touches are especially opulent for a Democratic soiree, what with the party's self-proclaimed association with the working class. Of course, when you're entertaining Democratic bigwigs, you pretty much have to pull out all the stops. After all, you're competing with the Lincoln Bedroom.



Due deference. This column has often noted Governor Gray Davis' penchant for political self-aggrandizement. But there was at least one occasion this past month during which Davis quite literally left his ego at the door. Appearing at a June 15 memorial service for Sacramento Bee political editor John Jacobs, Davis arrived at a Sacramento synagogue sans entourage. Eschewing the VIP treatment normally accorded a governor at such functions, Davis sat discreetly off to the side and toward the back of the room. He sat quietly and listened along with others attending the service as Jacobs' friends and colleagues recounted memories of the late columnist, who died earlier this month from melanoma. The governor stayed for about an hour before slipping quietly out, an exit that was understandable, since he was neck-deep in budget negotiations with legislative leaders on that day. It's a small thing — some would say it's a no-brainer. But in a business where respect and humility is a scarce commodity, it was a measure of deference worth noting.

"If a man does not have [ideals]... he becomes a mean, base and sordid creature, no matter how successful."
— Theodore Roosevelt

california JOURNAL a State Net publication

Editor: Cynthia H. Craft

Managing Editor: Claudia Buck

Political Editor: Steve Scott

Senior Editor: Emelyn Rodriguez

Associate Editors: Noel Brinkerhoff, Kathleen Les, Melanie Smith

Assistant Editor: Sekhar Padmanabhan

Contributing Editors: Lou Cannon, Sherry Bebitch Jeffe, Susan Rasky, Marc Sandalow, Dana Wilkie

Circulation: Tim Foster

Art Director: Dagmar Thompson

Art Staff: Suzanne Raney

Advertising : Naomi Johnston (916) 444-2840

Advertising Coordinator: Erica Pahl (916) 444-2840

Editor-in-Chief, State Net: A.G. Block
Founding Publisher: Thomas R. Hoeber

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CALIFORNIA JOURNAL is a monthly, non-partisan, non-ideological analysis of California government and politics established in 1970. The Journal is available on-line through StateNet, Nexis/Lexis and Westlaw. It is indexed in Public Affairs Information Service, New York Times Information Bank, Sage Urban Studies Abstracts and Urban Affairs Abstracts. California Journal (ISSN 0008-1205) is published monthly. Subscription rates: Libraries and Government Agencies, $59.00; Corporations and Associations, $95.00; Special Individual rate, $42.00. Address all inquiries to *California Journal*, 2101 K Street, Sacramento, CA 95816. Telephone (916) 444-2840.

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Periodicals postage paid at Sacramento. POSTMASTER: Send address changes to CALIFORNIA JOURNAL, 2101 K Street, Sacramento, CA 95816.

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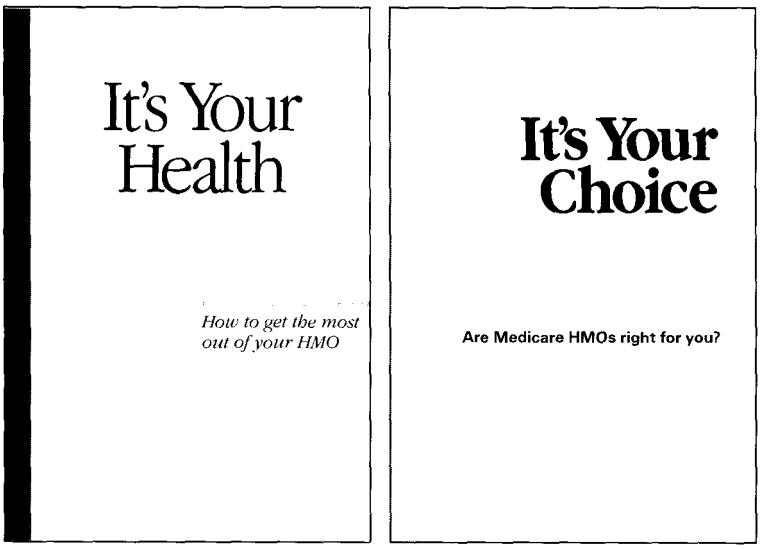

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letters

Two political shrubs: Quacken and Bush

A new course needs to be offered jointly by the University of Texas and the University of California: *Comparative Political Ecology 101a*, a survey of two states where the social landscapes are being dominated by invasive weed species[that]nobody wants, yet no one knows how to eradicate. And we thought deforestation was a tragedy.

As first discovered in its native habitat by the explorer Molly Ivins, Texas has the Scrub Bush, also know as the W (for Weed) Bush. California has the Quacken Bush, so obtrusive and noxious a parasite that its citizens need to take out some insurance against its creeping political infestation. These suckers need to be rooted out. Chucked out.

The two states have in common vast deserts and wastelands. The kind where straw men thrive. The Texas Scrub Bush is so dumb he makes a household potted fern look bright. The California Q-Bush is so amoral, he makes a Venus flytrap look righteous. Both thrive on fiscal fertilization supplied by the cultivators of power.

When did the political landscape become so barren? Where are the California redwoods among our politicians? Is there an upstanding barrel cactus of a statesperson in Texas? Instead, we are overgrown with scraggly, aggressive scrubs that make even that old hybrid, the Reagan Bush, look attractive, thorns and all.

We need to do some serious pruning in the coming months so that the winter ahead isn't entirely barren.

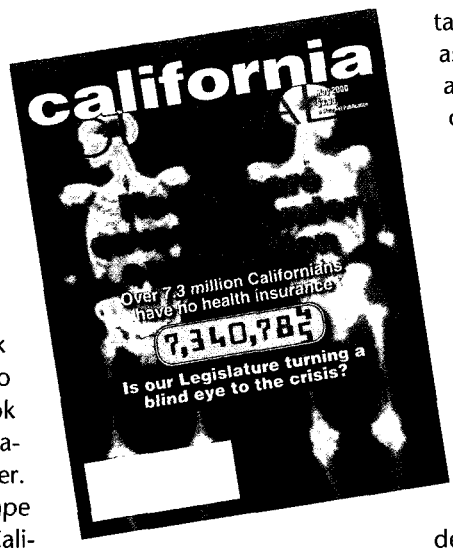
Bruce E. Jones
Modesto

Health care epidemic

Emelyn Rodriguez wrote a fine article ("Health-Care Epidemic Deepens," May 2000) on a small portion of the health care problem, as the subject of medical health insurance is certainly important in today's society. The article did relate that fewer employers are offering health benefits, and that this was manifesting itself, among other ways, in the increased use of hospital emergency rooms as the provider of first choice for non-covered Californians.

Another aspect of the health care problem that should be considered: There are unintended effects of government actions related to the affordability of health care insurance. For example, new coverage types have been mandated by government (such as the maternity stay benefit) as an unfunded mandate to businesses that offer such insurance to their employees. Little wonder that the number of businesses offering health care coverage is declining as the costs increase and that fee-for-service medical treatment facilities are becoming harder to find.

My last thought: If, as a society, we desire some form of health care coverage for all (as was implied in the article), then an efficient funding mechanism should be sought to equitably achieve that. Perhaps the most equitable means would be to count as taxable California income all or a portion of the health care benefits received by employees, with the funds from such a tax providing a tax credit for a non-covered individual or family to purchase catastrophic health care.


california
Over 7.3 million Californians have no health insurance
7,340,785
Is our Legislature turning a blind eye to the crisis?

This proposal is admittedly one small piece of the puzzle; while the crisis in emergency rooms would not be directly improved under this proposal, it is not clear to me how expanding medical coverage limits to an under-utilized program would remedy that problem, either.

Gary Garofalo
Sacramento

Thank you for your excellent article that was republished in the Sacramento Bee ("Health-Care Epidemic Deepens," May 2000). As a health educator, I have a similar concern for the problems in health care that we face, but I see the solutions from a slightly different perspective.

For one thing, the efforts to enroll the uninsured is only a partial solution. It does not get to the root of the problem — a lifestyle that contributes to disease and general morbidity. Massive public health education is needed to convince consumers that it is worth taking care of oneself through simple habits: drinking water instead of coffee or Coke, using whole grain foods, and reducing free fats and animal products in the diet, and taking time to walk daily, instead of watching television.

All these basic lifestyle habits can be taught, not only in grade schools but to adults, if we invest in public health as we ought to. It's very discouraging to see intelligent people investing in solutions that at best will yield marginal results.

Through my employer, the Weimar Institute,

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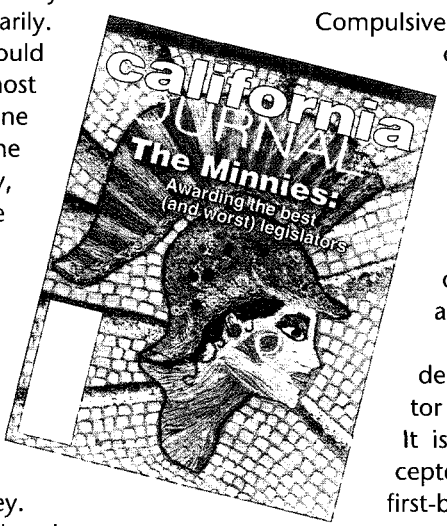
a not-for-profit health care institution, I am working on several 60-second television spots to educate people about the advantages of lifestyle change, and the potential for reversing diabetes, heart disease and hypertension. Soon the USDA will launch a campaign to educate consumers about the optimal diet. But diet is only one piece of the prevention equation. Much more needs to be done to educate the public. Please join me in working toward that wonderful end.

Jack McIntosh
Weimar College, Weimar, CA.

Rampart rally: Pro-police or no?

Sherry Bebitch Jeffe ("Southern Exposure" column, May 2000) quotes analyst Gregory Rodriguez as saying the largest public Latino sentiment toward Rampart (the Los Angeles Police Department scandal) "was a pro-police rally in September last year." Well, appearances can be deceiving. I covered the rally, and most of the people involved were from a local drug rehab center who came on buses together. Folks from this rehab center have also come to Rampart in large numbers to be part of the annual "Night out against crime" rally. There is certainly nothing wrong with that. And they tell me they came to the pro-police rally voluntarily. But I don't think their presence should be represented as speaking for most Latinos or any other group. In fact, one woman who I interviewed from the rehab center in the pro-police rally, who was not Hispanic, told me she believed that half of LA cops were corrupt. She invited me to go to a forum on police brutality. Yet, there she was in this pro-police rally.



I'm in no position to challenge the point of the article about how Latinos feel about police. It may be right on the money. But I'd hate to see *California Journal* readers get a false impression from one rally, from a rather non-representative part of the community.

Ron Fineman
Stevenson Ranch

Defining Gray Davis

Your June issue is quite good. The pieces on [Assembly Speaker Robert] Hertzberg's office manual and Assembly training manuals were eye-*brow-raising*.

However, Dana Wilkie's column ("Understanding Gray Davis") was extremely offensive. Don't get me wrong, I'm no fan of Gray Davis, have never voted for him, and am not likely to. But that does not make an article based on "They say" and "Most research..." and other sweeping generalities a fit piece for your journal. What might Wilkie do for Hertzberg, who is clearly a control freak even if he does hug a lot?

R.A. Blais
Cupertino

letters

I hope your tongue was firmly tucked into one cheek when you deconstructed [Governor Gray Davis for *CJ's* readers — people who are probably better educated, more worldly, and (I hope) more perspicacious about human nature than your average fish-wrap subscriber. Oh, wait a minute... scratch that. We're talking politics here. All bets are off.

To lump all of Davis' dysfunctional traits together and ascribe them to his alleged status as an Adult Child Of Alcoholics is simply too facile an explanation for traits that many people – ACOAs or not — possess.

A plodding, obsessive nature could be caused by a learning disability that prevents one from processing information at the same speed as "normal," less obsessive people. Davis' obsessive nature could even be caused by OCD — Obsessive Compulsive Disorder — a fairly common cognitive and information-processing brain disorder that has many manifestations. Hand-washing and counting are the more common and obvious symptoms, but there are many variations on this theme. Davis may have a form of it.

Let's not discount birth order as an equally important factor in the making of Gray Davis. It is a well-researched and accepted fact that many leaders are first-born children. First children are very often born to younger, more vigorous parents who probably invested more time, attention and resources in the first child, which gave the child more self-confidence and a better foothold in life.

I suggest reading "Shadow Syndromes," a very interesting book about how most people have benign forms of "mental illnesses" that are considered positive traits; i.e., attention to detail vs. obsessive/compulsive traits. Quite an eye-opener.

James Nesom
Sacramento

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Editor's note: *Governor Gray Davis, the Golden State's first Democratic chief executive in 16 years, has the luxury of presiding over the only major U.S. state in which Democrats have a lock on both the Legislature and governor's office. Given this competitive edge, great expectations were heaped at the feet of Davis, who countered with a long list of promises of his own. With the productive months of his first legislative session behind him, it's an opportune time to take stock of this governor's achievements and his mid-point legacy. We hope you enjoy the series of stories that follows.*

The education governor:

Like many students in California's classrooms, Governor Gray Davis earns an A for effort. But he'll need to perform even better to halt our schools' downward spiral, and to graduate onto a second gubernatorial term.

By Emelyn Rodriguez

Governor Gray Davis' bill signing ceremonies are flashy, tightly scripted affairs. Staffers attend to every detail in advance, working well into the night. The red carpet is rolled out. Schoolchildren are crowded in. Legislators line up. In short, bill-signings make perfect photo opportunities — ideal vehicles for showcasing Davis' progress on major campaign pledges, particularly in the arena of education reform, his biggest promise to the public.

But these days, what's on many people's minds is not the smoothly polished veneer but what lies beneath.

Now more than halfway through his second year in office, his honeymoon with the Legislature long over, Davis' education reform policies — ranging from the modest to the glitzy — have generated some superlatives as well as doubters, detractors and even lawsuits.

A chorus of critics has picked at portions of Davis' education proposals — which include a school ranking system and a high school graduation exam — denouncing them as window dressing and "bumper sticker politics." Another proposal exempting public school teachers from paying state income taxes was pronounced "dead on arrival" in the

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Legislature.

To be sure, even his fiercest critics give Davis credit for directing the spotlight on the massive problems facing California public schools: bottom-of-the-barrel test scores, crumbling classrooms, outdated textbooks and dire teacher shortages.

Blessed with a robust economy, Davis has been able to substantially boost state spending for cash-starved schools, as well as fund a panoply of reading and teacher-training programs, student scholarships and cash incentives for school employees. The governor's budget also doles out $1.84 billion in discretionary funds to school districts — the largest one-time education funding boost in California history.

But the question remains: Will the reforms make a real difference or merely generate a stack of sexy headlines?

"[The Davis administration] is in a very hard position," said Michael W. Kirst, a Stanford education professor and co-director of the nonpartisan think tank Policy Analysis For California Education (PACE), which recently released a report criticizing the state's lack of coordination in education policies.

The issues facing California schools "would fill the plate of a four-year term or more," Kirst said. "To expect

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that these issues would be addressed in a year is unrealistic." But he added, "The Davis administration is moving in the right direction. They're attacking the right targets — the teacher shortage, high-stakes academic standards, more outcome-based results... It's more about how the pieces fit. It's a hard task. There's no quick fix."

Once a national model for public education, California is now mentioned in the same breath as the poorest states — like Alabama and Mississippi — when it comes to student achievement and resources. California hovers around 40th in per-pupil spending, and dead last in students per teacher, students per instructional computer and students per counselor.

What precipitated the state school system's steady decline over two decades is a complicated, much-contested topic. But one thing is clear. Since 1978 when state voters passed Proposition 13, a measure limiting property taxes, the main burden for financing schools shifted to the state, making the system more susceptible to dips in the economy.

Today, the deplorable state of some schools has sparked lawsuits from various civil rights groups denouncing vermin-infested classrooms, faulty toilets and falling ceiling tiles. Moreover, litigants charge, the system is brimming with inequality, citing a shortage of fully credentialed teachers in the state's poorest and lowest-achieving schools – precisely where they are most desperately needed.

Despite several straight years of cash infusions, even the most optimistic assessments place California slightly below or just around the national average of $7,300 in per-pupil spending. During his first two years in office, Davis has boosted spending by 18 percent, or roughly $1,000 per student.

But education experts point out that real school reform requires not just more money but also time and careful, thoughtful planning.

"When you have constituents saying we are going to support [school] vouchers, shut down schools, throw you out of office if you don't do something, then you have to act and it may not be perfect," said Assemblywoman Kerry Mazzoni (D-Novato), who carried one of Davis' reform measures creating intensive reading programs for students in kindergarten through fourth grades.

Davis, prodded by polls, wasted little time in seizing the initiative for education reform. Among his first official acts was appointing as his state education secretary Gary Hart, a former Santa Barbara state senator widely respected for his work in education. Davis then unveiled a quartet of reform initiatives, rushed through a special session of the Legislature within months of his January 1999 inauguration. The package called for creation of a high school exit exam, a school-ranking system tied to "high stakes" rewards and penalties, reading initiatives for lower grades and a teacher peer review program.

Stories, headlines and editorials were largely laudatory, calling the reforms ambitious, far-reaching and "a big step forward." Their passage was widely seen as a huge Davis victory.

But clearly what Davis and the Legislature delivered was closer to "a work in progress," as nonpartisan Legislative Analyst Elizabeth Hill pointed out, and Davis admin-

Head to head with Governor Davis

In a California Journal interview, the "education governor" says he's taking the harder road to school reform.

Interview by Emelyn Rodriguez

Q: I just wanted to get your thoughts on the status of education reforms that were passed last year. Are you satisfied with the progress so far?

A: "I've not yet seen the results of the Stanford 9 [testing]. So it's hard for me to give you a definitive response. I do believe the Legislature and I have taken the steps necessary to improve student achievement, hold schools accountable and reward them for their progress."

Q: So you're fairly satisfied that things are in motion?

A: "The combination of what we did last year and this year has been truly historic. This year's budget provides funding to train 70,000 teachers with the curriculum developed by the University of California. It's a five-day course — eight in the morning to five at night — which will create reading, math, algebra and English-language learning instruction. This is the most ambitious teacher-training program involving higher education ever undertaken in America."

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istration staffers later acknowledged.

The high school exit exam has yet to debut (a test will be adopted this fall) and won't be administered until next year or enforced until 2004. The teacher peer review program, a voluntary system, is still under development at many school districts. And the school ranking system, which is tied to rewards and punishments, among them cash bonuses or school closures, currently hinges on the results of a single multiple-choice test that students in grades 2 to 11 must take.

That test, the Stanford 9, a standardized test of basic skills, only partially assesses what students are being taught in California classrooms. Its purpose is to compare how well California students measure up to students nationwide. Policy-makers had hoped to use a broader range of measures to factor into school rankings — such as student attendance and graduation rates — but currently that data is either unavailable or unreliable.

The implementation of reforms was plagued with numerous glitches. Test scores were late and some of the rankings were erroneously calculated, problems described by Davis administration officials as typical growing pains.

"[The school ranking system] is still in its infancy and new components are still being added to it," said Sue Burr, interim state education secretary, who took over after Hart's resignation earlier this year. "What looks messy to people are the pieces that need to be put in place — teacher training, curriculum and instruction materials aligned to [voluntary state] standards — which are out there and adopted by the state but not every district has put them in place. That's what's lagging."

Education experts say Davis' reforms appear well-intentioned but overwhelming in terms of sheer volume and complexity.

Education experts say Davis' reforms appear well-intentioned but overwhelming in terms of sheer volume and complexity. They follow a flurry of reforms that educators are still struggling to adopt (such as class-size reduction and new state curriculum standards) enacted under former Governor Pete Wilson. They also appear to be jumbled, in a process that should be more methodical.

The marshmallow cure?

State Superintendent of Public Instruction Delaine Eastin has described the state's approach as "ready, shoot, aim." The Legislative Analyst's Office, which has taken issue with most of the major elements of Davis' proposals, peppered its review with phrases such as "misplaced discretion" and "inefficient allocation of resources." And skeptics likened the governor's strategy to "a huge marshmallow, soft and sweet but with no durable core," wrote University of California, Berkeley, education professor Bruce Fuller in

The governor reads to pupils in a California school library.

"It builds on the program we had last year when we trained 6,000 [teachers]. We're going from 6,000 to 70,000. Over four years we'll train the entire teaching force in California."

"As the result of my first two budgets we've increased spending per pupil by about a thousand dollars, which represents close to a 20 percent increase. Actually I think about 18 percent."

Q: So there's more money for schools and students and there's more money for teacher training?

A: "Right. And for the third piece, we put in place a system of accountability and performance bonuses larger than any other in America. This year's budget contains approximately $700 million in bonuses and rewards for improved student achievement. That includes $100 million for bo-

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a recent commentary.

However, state policy-makers who collaborated with Davis on reforms defended their efforts, saying that failure to act would result in a generation of students left behind.

"We needed to do triage because we were losing so many students," said Assemblywoman Mazzoni, chair of the Assembly Education Committee. "And too many excuses were being given as to why so many students weren't learning... When thousands and thousands of children are being failed by the education system, you can't wait until everything is perfect to act. We were in the situation where we had to act immediately, then we had to go back and fine-tune."

In an interview, Davis defended the use of the Stanford 9 standardized test as a baseline for comparison with the rest of the country.

"Ideally the test would be perfectly aligned to the [state] standards," Davis acknowledged. "Governor Wilson insisted on a test two years ago. I believe properly so. We are making real progress toward aligning that test with state standards. But I believe a standardized test is better than no test at all."

Perhaps most controversial among the governor's proposals is the "accountability system," which includes a ranking of schools and gauges academic achievement, primarily through so-called "high stakes" testing. Students, teachers and school districts are offered incentives to improve test scores with rewards and punishments — such as teacher bonuses and student promotions or state takeovers and reassignments of staff.

It is not a novel idea. Although California boasts a number of firsts, in this case it is merely following a nationwide trend, joining 25 other states that rank schools.

Educators acknowledge that such a system has value, providing a rough measure of student and school performance. But they also say its heavy reliance on standardized tests is open to interpretation and enormous error.

"There has been a lot of research on [standardized] tests and they are unreliable tools because they don't measure what is being taught in schools," said Wayne Johnson, president of the California Teachers Association. "They're simply not reliable measures of how much kids have learned or how effective teachers have been. What they really measure are language ability and IQ."

As expected, the first ranking of public schools released in January showed few, if any, surprises. Instead it reinforced the seemingly intractable gulf between the rich and the poor, the haves and the have-nots.

Troubles with testing

The top scoring elementary school, in Palo Alto, is a mostly white campus attended by children of many Silicon Valley entrepreneurs and Stanford professors, who donate cash, computers and countless volunteer hours. The bottom score belonged to a school in Mecca, a farming town in the Coachella Valley, attended primarily by children of Latino laborers and farm workers — the vast majority of whom do not speak English and are so poor they qualify for free or reduced-price school lunches. Overall, 88 percent of California public schools fell short of meeting the state's target: a score of 800 out of a possible 1,000.

Noted education researcher and Stanford professor

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nuses to teachers in the bottom 50 percent of the schools if their students experience at least 10 percent improvement year to year. Those bonuses range from $5,000 on the low end to $25,000 on the high end. This current year, which is funded by last year's budget, will have a thousand bonuses at $25,000 each. And next year we'll have twice as many. So there's about 4,000 bonuses in the $5,000 to $10,000 range and a thousand bonuses in the $25,000 (range) based on funding in last year's budget. That money will get out the door around Labor Day."

Q: On the topic of accountability: In my conversations with education experts about school reforms in general, they honed in on the API testing in particular as problematic in its current form.

A: "As you know every year, they're adding more questions. This thing is being phased into alignment. Ideally the test would be perfectly aligned to the (state academic) standards.

"Governor Wilson insisted on a test two years ago. I believe properly so. We are making real progress toward aligning that test with state standards. But I believe a standardized test is better than no test at all."

Q: There was also another point of contention involving testing of limited-English-speaking students in English. The issues raised were those of fairness and accuracy. I understand this was a policy instituted by former Governor Wilson. Why was it decided to continue this policy?

A: "I have in my current budget over $200 million dollars to establish English-language learning institutes. These institutes are built on a successful model in Israel where students and parents are trained together in an after-school environment. Twenty hours a week. This program entails 20 hours a week of instruction and greatly accelerates a child's ability to learn English. So over time I am confident that English-language learners will be able to perform well on standardized tests.

"If I had wanted to pretend that schools were making more progress than they were, I would have excluded English-language learners from standardized tests. That would have had the effect of greatly increasing test scores. But I believe that you have to teach every child. I also believe that adopting that policy would deny non-English speakers the attention they deserve. So I took the harder road."

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Linda Darling-Hammond says accountability systems have had mixed results in other states, depending on how carefully they were planned, what type of tests were used and whether they were tied to consequences such as student promotions and school sanctions.

Problems included higher drop-out rates, cheating, narrowing of the curriculum, public backlash, lawsuits and federal civil rights investigations. In top-scoring states like Minnesota, Iowa, North Dakota, Wisconsin and Connecticut, test scores are not used for rewards or punishments.

"If tests are not aimed at higher thinking skills, the curriculum gets dumbed down to match the test," Darling-Hammond said. "Using tests to deny promotion or graduation runs counter to what testing experts around the country say — that (standardized) tests should not be used for these purposes because they are not reliable indicators or measures of ability, capability or promise."

Kentucky, which had a schools ranking system similar to California's, repealed it because of "negative dysfunctional consequences," she said. "Each year it was the source of big problems. In small schools the index fluctuated wildly... It was also creating incentives for schools of choice not to admit students with special needs or English language learners. It encouraged schools to hold kids back so scores would look better."

However, former state Secretary of Education Hart defended the use of the state's school ranking system, saying it provides essential data and helps motivate students and teachers.

The governor has created high stakes not just for students, teachers and school districts but also for himself.

"I think it's important for people in low-income communities to know how their children are doing in comparison to others," Hart said recently at an EdSource conference in Southern California. "Oftentimes ... in low-income communities, students will get As. The parents see their students get As. They think everything is fine. And then their children are not able to go to college. They're not able to get productive employment because the education system has been a fraud. You need some external checks upon the system."

Another point of contention is the inclusion of English language learners' test scores in the rankings. State law requires school districts to include scores of all students who have lived in California for at least a year, even if they are not proficient in English.

Educators and civil rights groups have questioned the validity and usefulness of the tests.

"It's a complete sham," said Liz Guillen, legislative counsel with the Mexican American Legal Defense and Education Fund (MALDEF), which has intervened in a suit against the state Department of Education. "Testing students who are learning English doesn't give them a chance

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"You follow the point I'm making? I could have shown a great increase by saying, 'Oh, it's not fair to test these kids.' I could make an argument it isn't. But that would have denied them in the long run the attention they deserve from their teachers."

Q: I've also talked with education researchers who say "high-stakes testing" has had negative consequences in studies of other states that have had these systems. Some of those consequences have been that teachers have dumbed down the curriculum and taught to the test.

A: (interrupts) "First of all, teachers cannot teach to the test because we don't prepare it. It's prepared and graded by an outside consulting firm located in Texas. No one in California prepares or grades the test."

Q: I think what they were saying is that instead of focusing on standards or higher-level thinking, they're focusing on basic skills so kids could do better on these types of tests. And the other concern they had was that kids would drop out of school and not take the test. How would we guard against these outcomes in California?

A: "Well, (U.S. Education) Secretary (Richard) Riley, who was governor of South Carolina, persuaded the state Senate to pass my high school graduation exam by relating his experience in South Carolina. He was told that 30 or 40 percent of African-American students would drop out for fear of failing the high school graduation exam. In fact, South Carolina, like California, gives several chances to take the exam. As a result 98.6 percent of the minority students passed the exam. And this is the important point. Approximately 40 percent of those minority students went on to college even though they had never contemplated doing so before passing the high school exit exam. (Riley's) point was, these kids were so empowered by passing the exam, they wanted to accept the challenge of going to college. Whereas, before, it was never on their radar screen. They never even thought of it. So his point was, 'Look at the upside potential. Don't be frightened by the downside potential.'"

Q: So we should focus on the upside potential?

A: "Focus on the upside potential of empowering students to go farther than they imagined they could."

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On the education stump, Governor Davis meets and greets.

or gives them a very low opportunity to demonstrate what they know. We think it's a violation of federal law."

Burr said the policy of testing non-English speaking students in English originated with former Governor Wilson's administration, and she defended Davis' decision to continue it.

"It established a baseline," Burr said. "We kept the requirement in place because the system needed stability ... California has been through so many changes in the testing system."

Davis said that non-English speaking students may be neglected if they aren't included in the testing.

"If I had wanted to pretend that schools were making more progress than they were, I would have excluded English language learners from standardized tests," Davis said. "That would have had the effect of greatly increasing test scores. But I believe that you have to teach every child. I also believe that adopting that policy would deny non-English speakers the attention they deserve. So I took the harder road."

Davis said he is helping English learners by including over $200 million in his 2000-2001 budget to establish English language institutes that provide "20 hours a week of (after-school) instruction and greatly accelerates a child's ability to learn English." He added, "Over time, I am confident that English language learners will perform better on standardized tests."

Ironically, some of the most critical factors affecting student achievement — things like poverty, early education, teacher quality and the growing population of non-English speakers — have attracted little, if any, attention, experts said.

Statewide, about one in four children lives in poverty and studies show that they begin school with serious gaps in knowledge and basic skills that are often difficult to bridge in later years. One study shows that African-American 6-year-olds who are disproportionately poor read at the level of white 5-year-olds. Another says that "half of the variability in high school seniors' test scores is due to differences that were already apparent in first grade."

In the latest budget, Davis and the Legislature focused on teacher quality by offering tax breaks for teachers and cash incentives for those who commit to teaching in low-achieving schools. Davis also provided funds to increase family literacy, fund preschool programs for low-income children and improve the education of English language learners.

Still many believe these efforts, though noteworthy, don't go far enough and lack long-term staying power. They argue that there cannot be significant, long-term progress without getting to the economic root of low test scores.

"You just can't have an education reform strategy without a reform of children's policy as well," said PACE co-director Kirst. "In other words, you can't just work on schooling. You have to work on broader conditions of children's welfare and children's policy."

Researcher Darling-Hammond believes there's too much emphasis on tests and too little emphasis on teacher quality. "States that primarily invested in multiple-choice testing systems, with little attention to improving quality of teaching and schooling, had flat achievement and higher drop-out rates."

Yet despite the criticism, most agree that Davis is steering in the right direction.

"I do think a lot of progress has been made," said state schools superintendent Eastin. "The first year or two of reform is rocky. People in schools are feeling overwhelmed. There's a lot going on. They want to catch their breath. But we know the basic elements are already here. The real question is, will we take time to fix our problems or will we just add new reforms on top of past reforms?"

"I think it's too early to tell," said state Senator Bruce McPherson (R-Santa Cruz), vice chair of the Senate Education Committee. "But I think we're headed in the right direction."

For his part, Davis is characteristically cautious when asked if he's satisfied with the progress of education reforms. "I've not yet seen the results of the Stanford 9," he said, referring to test scores released in July. "So it's hard for me to give you a definitive response. I do believe the Legislature and I have taken the steps necessary to improve student achievement, hold schools accountable and reward them for their progress."

For Davis, the real measure is years away and the road ahead promises to be even bumpier. But there's no turning back. He has inextricably bound his political fortunes with California's school success. He has created high stakes, not just for students, teachers and school districts but also for himself, having pledged not to seek re-election if student test scores don't improve.

Rise or fall, all eyes will be watching.

Emelyn Rodriguez is senior editor of California Journal. *Comments may be sent to* **edit@statenet.com.**

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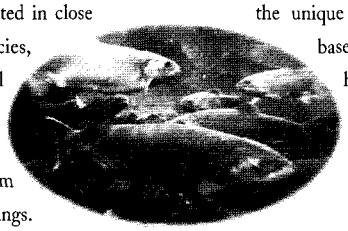

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Can he cure what's wrong with health care?

Publicly, Gray Davis can sound downright radical when articulating his vision for health care reform. Yet his actions reveal no inclination to stray from the narrow centrist path he's blazed, leaving open the question: Is our governor doing enough to solve California's health care crisis?

By Daniel M. Weintraub

It was shortly before noon on a Friday in mid-July and Governor Gray Davis and his wife, Sharon, were at the Venice Family Clinic on Rose Avenue in the gritty beachfront city near Los Angeles.

Davis was at the clinic to celebrate, for the benefit of television cameras, the fact that 300,000 children were now enrolled in the state's Healthy Families program, which provides insurance to the kids of moderate-income working parents.

The governor took credit for helping to boost by a factor of 10 the number of children served by the program since he took office. But that's not good enough, he said. Davis will not rest until all California children have health insurance.

That seemed to be an unreasonably high goal for a man who on this issue, like so many others, is committed to moving in small, incremental steps. But it was typical of what has become the Davis pattern of dealing with the more activist left wing of his Democratic Party: He professes agreement with their principles even as he puts the brakes on their more ambitious proposals, all the while pledging slow but steady progress toward shared goals.

So far, on health issues, his strategy seems to be working.

Lawmakers and advocates are generally pleased with his record to date, even if the pace of change is not as great as they would like. At the same time, health care providers, including managed care companies, seem satisfied that

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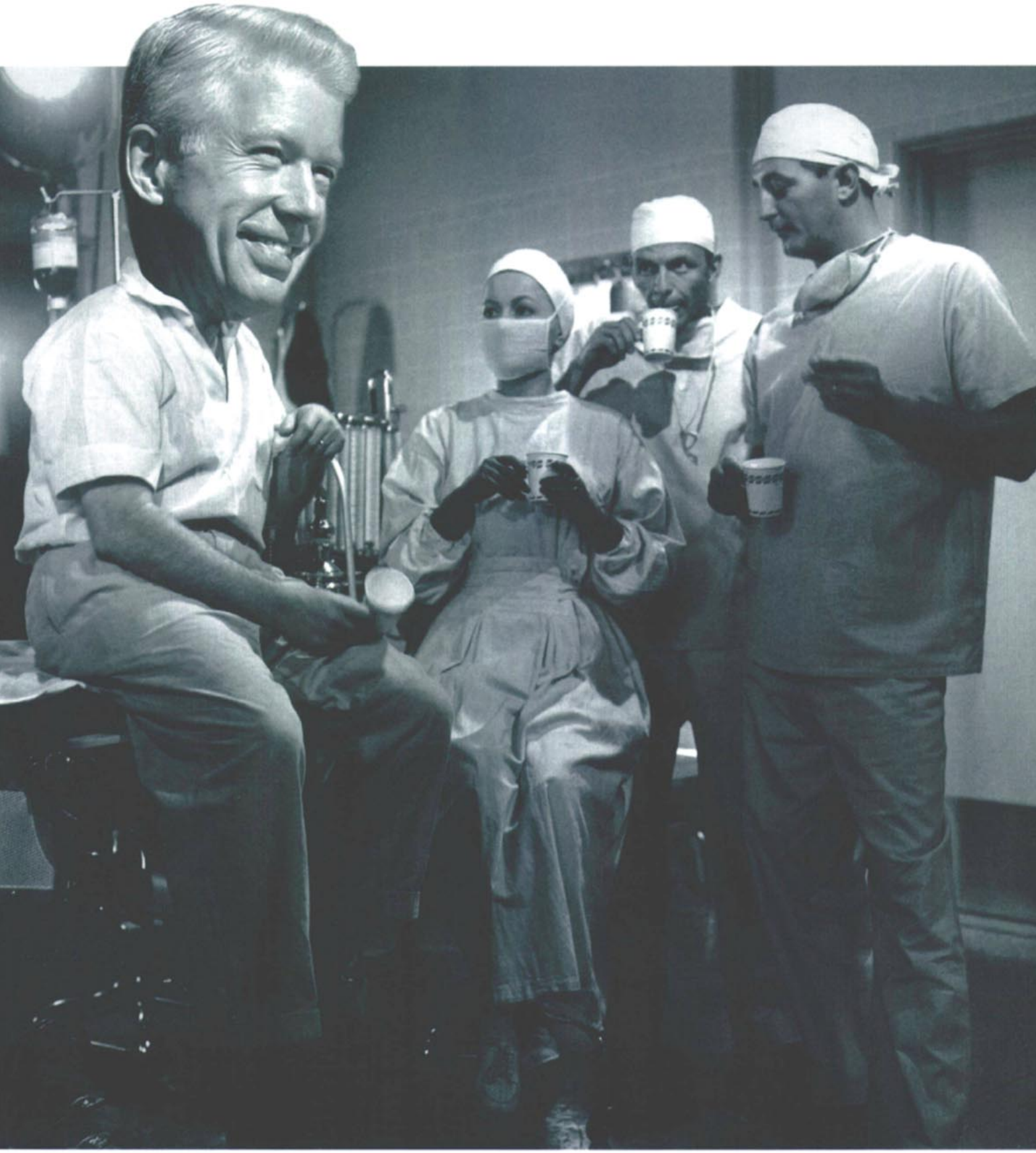

Davis has protected them from the potential excesses of the Democrats who control the Legislature. If Davis has not quite split the difference, at least he has kept everyone fairly happy. For him, that's the definition of political nirvana.

Davis dragged his feet for several months on HMO reform but ultimately signed a batch of bills that won acclaim from most consumer groups and the industry. He

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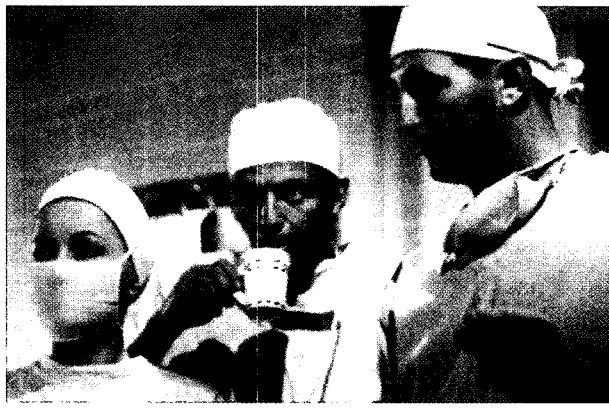
"While he has a big heart and is progressive, he also does not want the public to be hit with a yo-yo effect."
— Grantland Johnson



vetoed a major reform of the nursing home industry last year but now is pushing a similar plan of his own. A year ago, he held off on big rate increases for doctors serving the poor in the Medi-Cal program. This year he approved rate hikes as high as 15 percent.

And by stringing together a number of modest changes, Davis has quietly but dramatically expanded the number of children with health insurance in the state. When he took office, according to his administration, there were a little over 30,000 children enrolled in Healthy Families. Under his direction, a cumbersome application for the program was reduced from 28 pages to just four. He boosted funding for outreach and advertising campaigns, in multiple languages, designed to alert poor parents to the program. And he agreed to let families go a year between eligibility reviews, instead of the quarterly checks that many blamed for keeping people from using the services.

The administration hopes to have a half-million kids signed up by the end of the fiscal year next June.

The prudent progresive

"Overall, I think he is doing a very good job," said former Assembly Speaker Antonio Villaraigosa, the Los Angeles Democrat who has urged Davis to expand access to health care for the poor. "But we still have a lot of work to do in a state where there are 7 million people uninsured."

Villaraigosa pushed Davis to lift the income standard for Healthy Families to 250 percent of the poverty level, meaning a family of three making $41,000 now qualifies for the program. He and other lawmakers would like to see the threshold go to 300 percent of poverty. But Davis does not want to go any further, at least for now.

"The governor is a very prudent, cautious person," said Health and Welfare Secretary Grantland Johnson, a former Sacramento County supervisor and Clinton administration official. "While he has a big heart and is progressive, he also does not want the public to be hit with a yo-yo effect where you are expanding one year and retracting the next."

The governor took a similar approach to HMO reform. After years of butting heads with former Governor Pete Wilson, lawmakers expected Davis to jump on the issue. Instead, he focused on education, then on passing his first budget.

By the time he looked up in July 1999, more than 60 HMO bills had been approved by the Assembly and Senate health committees and were on their way to his desk.

Davis quickly sent word to the committee chairmen: timeout. The governor wanted a break while he evaluated the bills and decided which ones he might sign. The rest, he made clear, he had no desire to see on his desk where he might be forced to issue a politically embarrassing veto.

But beyond his wish to limit the number of bills, Davis offered few clues about what he had in mind for an HMO policy. A few public comments he made on the issue, while bordering on radical, were not widely interpreted to be a serious description of his short-term objectives.

Speaking to California reporters in Washington, D.C., in February 1999, Davis said he believed that the for-profit orientation of the HMO industry was incompatible with the responsibility of doctors to do everything possible for their patients.

"Most of these HMOs are public companies," Davis said. "I can tell you they therefore have a fiduciary obligation to their shareholders to maximize return on their investment. You can only do that by reducing the amount of care that you provide."

But the doctors who contract with those companies, Davis said, "took a Hippocratic oath to provide the best care possible to their patients. So that is a direct conflict."

In a rare show of boldness, the governor said the answer to this deeply seated contradiction was not to be found by "tinkering around the edges" but by putting doctors back in charge of care decisions and relegating HMOs to a mere administrative, paper-processing role.

Mastering the middle

Tinker is exactly what Davis did.

As the Legislature left for its summer break, the governor convened a series of private meetings with interest groups in search of the elusive middle ground. Then he attended a fundraiser hosted by the HMO lobby at which he collected more than $100,000 in campaign contributions. A few days later, he unveiled an outline for how he wanted to proceed.

The Davis plan called for giving patients the right to a second opinion paid for by their health plan when they disagreed with their doctor's diagnosis. He also proposed allowing patients denied care to demand an independent

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review of their case from a doctor unaffiliated with their HMO.

And if they were seriously injured or killed by a health plan's decision to deny them care, patients or their families could collect punitive damages through arbitration or, if their contracts allowed it, a lawsuit.

Davis said he wanted to create a new Department of Managed Care to oversee the industry. But he would house that new unit in the same Business, Transportation and Housing Agency that had been widely accused of ignoring health plan abuses.

The governor also agreed to expand a number of mandates requiring plans to provide services, from mental health care and hospices to contraception and breast cancer screening.

A classic compromiser

Though many Democrats said they thought the governor's plan was too limited, in the end they passed it essentially as proposed. Many Republicans joined in and most of the bills passed with lopsided majorities. Business groups were pleased. The HMOs said they could live with the plan. Consumer activists grumbled but couldn't gain much traction with the argument that the governor had sold out to the industry. It was, in other words, another classic Davis compromise.

"I think we got a very far-reaching series of reforms without undermining the capacity of health plans to provide quality care at an affordable cost," said Walter Zelman, director of the California Association of Health Plans. "There's no question that the governor's intervention from our point of view was positive. I think he found the pieces that were more important and took the edge off some of the proposals."

This year, when consumer groups came back with a proposal to broaden the ability of patients to sue their health plans, Davis refused to lend a hand. The groups wanted to prohibit health plans from requiring consumers to agree to use arbitration, rather than the courts, to resolve disputes. But Davis put out word that he wanted to give last year's reforms a chance to work before adding any more. Earl Lui, who follows health care issues for Consumers Union, said his group would like to see mandatory arbitration eliminated. But he said he is impressed with the way the new Department of Managed Care is approaching its mission.

He said new regulations make it clear that health plans will have to respond quickly to department inquiries or risk seeing immediate rulings in favor of consumers.

"It's much more consumer friendly," Lui said. "The whole attitude of the department seems to be much more open and sensitive to consumers' needs."

Daniel M. Weintraub is the Capitol bureau chief for the Orange County Register. *Comments may be sent to* **edit@statenet.com.**

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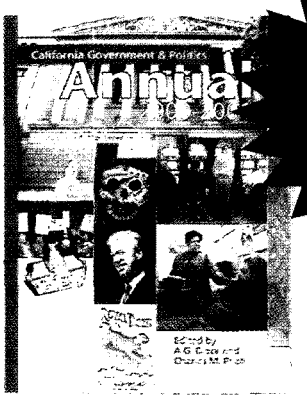

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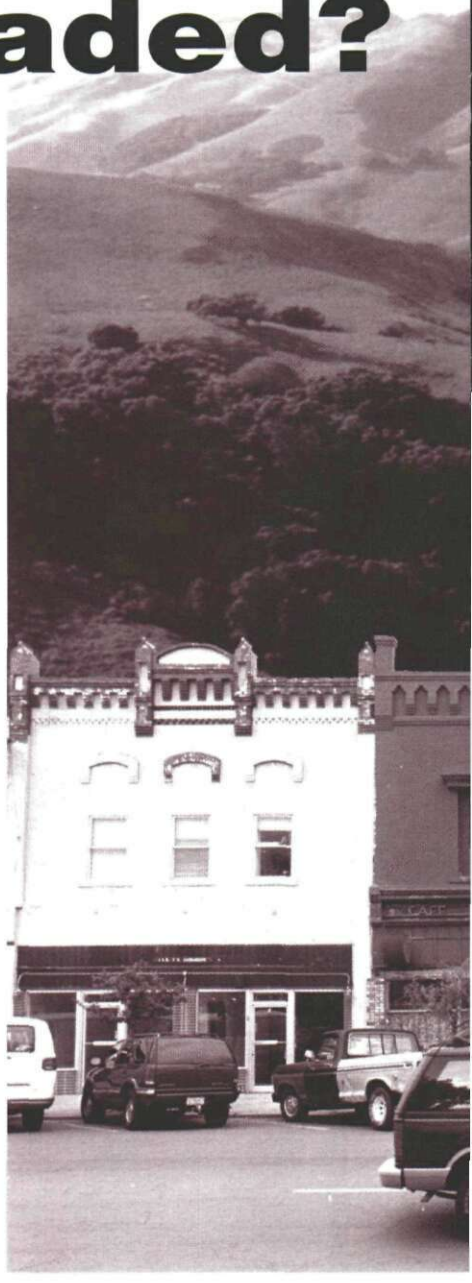
Where's he headed?



As Governor Davis nears the halfway mark in his first term, advocates on four crucial fronts — labor, transportation, local government and the environment — rate his performance.

Labor

For the first time in more than 16 years, labor is getting a governor's attention. But even after handing labor several big wins, Governor Gray Davis has made it clear he isn't a slam-dunk on every issue.

By Kathleen Les

Big labor hedged its bets on Gray Davis early in his gubernatorial campaign and, for the most part, the financial largesse and grass-roots support has been paid back in spades. Labor unions are among Davis' happiest constituent groups, but even they can't take anything for granted as the governor sticks to the center political lane.

In return for labor's help in boosting him into the corner office in 1998, Davis made good on promises to promptly return the 8-hour working day, restore prevailing wages and increase worker safety enforcement, all issues crushed by former Governor Pete Wilson. Expanded sick leave, a pay raise for state workers — albeit one smaller than expected — and increased disability insurance

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made it across the governor's desk as well.

"It's been nice getting a bill to the governor's desk and having it signed," said Chuck Mack, vice president of the International Brotherhood of Teamsters, western region. "For a good number of years, that wasn't the case."

This year, Davis sweetened labor's plate with $100 million in increased wages and health care benefits for 200,000 in-home health care workers, a group brought under the union tent just last year. Union leaders credit Davis with lifting these health workers out of poverty wages as the five-year program of annual raises takes effect.

"That's a tremendous show of leadership in a neglected area," said Eliseo Medina, head of the statewide Service Employees International Union.

But the governor may not have been generous enough. Counties, already strapped for cash since the 1992 property tax shift and burdened with heavy social service obligations, are

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expected to shoulder 20 percent of the pay increase for in-home care givers.

And while labor representatives say they appreciate being in the governor's good graces after being shut outside the palace gates for so long under Wilson, they by no means have a lock on the new governor.

"It should be clear to the world by now that Governor Davis is not a union governor," insisted Willie Pelote, who heads up the American Federation of State, County and Municipal Employees in California. "He is forcing unions to compromise on a number of issues."

Furthermore, Davis flatly rejected several high-profile labor measures last year. Labor got smacked with a governor's veto on a measure to prohibit the use of public money for anti-union organizing, on a "buy America" bill and a proposal to establish a major fraud unit for the Contractors State License Board — all measures where business got the better of Davis and pulled the governor their way.

In its biggest defeat under Davis so far, labor again lost out to business's overriding financial interests when the governor vetoed labor's request for a $2 billion increase in worker's compensation benefits, currently among the lowest in the country. After seven years of reduced worker's comp costs to employers negotiated under Wilson, labor began clamoring for increased benefits for workers. And while Davis offered a compromise last year of $400 million, labor soundly rejected the offer as too little.

Phil Trounstine, the governor's spokesperson, says Davis' stance hasn't changed. "The cost of that particular bill was too high for business," he said.

It was a big loss for labor, but a sizable win for business. Signs are emerging that the victories won by labor following Davis' election are already eroding. Davis' employer appointees on the Industrial Welfare Commission (IWC) have already moved to weaken the criteria for employees' overtime pay. Their effort last month prompted Art Pulaski, executive secretary-treasurer with the California Labor Federation, AFL-CIO, to heatedly admonish the commission.

"The action you are taking is hostile to the intent of the [overtime] legislation, and the promise of the governor," Pulaski warned at the IWC's June meeting.

Thus far, Davis has managed to walk a skillful line between business and labor, with neither side totally content nor totally dissatisfied. At this point, both sides are willing to tolerate Davis' happy-medium style of governing.

But in an era when labor is insisting on greater legislative payback from candidates it helps into office, Davis will need to keep his antennae up if he wants labor as his future campaign ally. So far, labor is still singing the praises of this Democratic governor.

"At least we can communicate with Governor Davis. The way we talked with Governor Wilson was in the court," noted Bob Nalgenorth, president of the State Building and Construction Trades Council of California.

Transportation

Not since Governor Edmund G. "Pat" Brown, has a governor poured money into a grand vision for moving Californians around the state. After an almost three-decade downhill slide in transportation investments, Governor Gray Davis took the first step toward reversing that backslide by plunking $5.4 billion this year into a congestion relief plan for California's crowded freeways. While that's commendable, many say it's just a tiny down payment on fixing an outdated transit system fighting to keep pace with California's ever-growing population.

When sworn into office, Governor Davis made it amply clear that he intended to be the education governor, but he soon left doubts as to whether he would be a transportation governor as well. Indeed, his initial foray into the transportation arena got off to a rocky start.

His first appointment to head up California's Department of Transportation, former San Francisco County Supervisor Jose Medina, fumbled along before being shipped over to the Integrated Waste Management Board. Then the governor blithely ignored transportation in his opening budget salvo in January this year. Once assured the state was riding high atop a strong surplus horse, however, Davis reversed course in May and elevated transportation to his second-highest funding priority, just behind education.

With record amounts of surplus revenue to divvy up, Davis carved out a transportation spending plan that addressed one of the public's top frustrations: traffic congestion and burdensome commutes between home and work. To this end, Davis threw the greater length of his spending lifeline into mass transit projects in the five major urban areas of the state. After recent years of focusing on freeway expansion, Davis tipped the balance largely in favor of fixed rail, buses and car-pool lanes.

"We're heartened and we think the governor has part of the right vision," said James Corless, state director for the nonprofit Surface Transportation Policy Project, a group that encourages multi-faceted transportation planning.

In total, about 100 capitol projects will be funded, ranging from the largest — $760 million to extend the Bay Area Rapid Transit rail system from Fremont to San Jose — to numerous smaller projects, such as replacing 50 buses in Sacramento and Yolo counties with low-emission vehicles. Davis also helped satisfy part of the pent-up demand for local roadway repairs with another $400 million, but offered no promises of future funding to help meet what has been estimated as a $100 million backlog of transit needs.

While transportation advocates were thrilled at the infusion of cash, they stood by in amazement as the governor made a political move that's among his most brazen to date. By hand-picking the transportation projects to receive his outlay of dollars, Davis circumvented a selection process practiced over the last 20 years, a

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process that in recent years delegated decisions on spending priorities to regional transportation planners. In other words, Davis shunted aside a carefully constructed process that was specifically intended to blunt the political influence of legislators and the governor.

The result of Davis' handiwork is that one-third of the earmarked transit projects in the governor's budget don't show up on any priority lists of local governments and finding necessary matching funds may be questionable for many more, according to the Legislative Analyst's Office. The governor essentially offered up $5 billion toward $15 billion worth of capital projects, but with no assurances of future funding waiting in the wings.

The governor's office defends Davis' process for selecting transportation projects. Phil Trounstine, the governor's communication director, says Davis solicited the transportation preferences of local officials through the state's Business, Transportation and Housing Agency. "Projects may not be in the State Transportation Program, but that doesn't mean they're not top local priorities," he said.

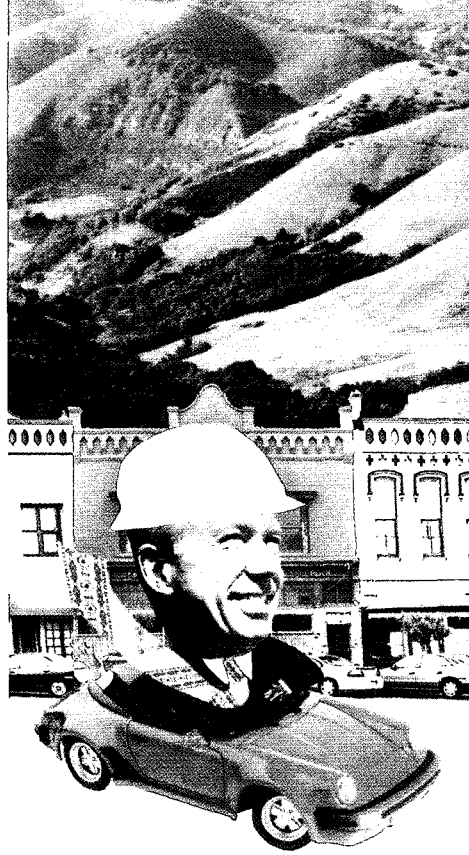
Finding local matching funds won't get any easier since Davis gave thumbs down to SCA 3, a proposal by state Senator John Burton (D-San Francisco) to permit a simple majority of voters to pass local sales tax measures for transit. Leery that voters wouldn't agree to two ballot measures making it easier to raise taxes, Davis backed off support for SCA 3 rather than place it in competition on the November ballot with a measure to lower the vote threshold for school bonds.

What is encouraging, say transportation planners, is the governor's willingness to earmark gas taxes for transit projects, after years of seeing that money funnelled into the general fund for other purposes. The $1 billion a year in gas taxes to be rerouted over the next five years under the governor's spending program makes up the financial backbone of his transportation outlay.

Whether transportation gets anything more than a one-time fix from Davis or becomes the subject of a grander vision remains to be seen. The governor still awaits recommendations from his Commission for Building in the 21st Century, a group of business and government leaders charged with sorting out California's infrastructure needs. Their work is yet to be completed but without a long-term funding apparatus in place, master planning for California's future transportation needs will be difficult at best.

"Transportation deserves a really coherent approach, which we haven't done in this state for decades," said one Capitol source.

As the public grows increasingly concerned about the health of the environment, Governor Davis risks considerable public dissatisfaction unless the state's natural resources are given more attention.



Local Government

Governor Davis has yet to show his true leadership potential on the local government front. Campaign promises to the contrary, critics say he's done little to end what he himself decried as land-use decisions driven too much by desires for sales tax receipts. While the state swims in cash, they say the governor is frittering away a plum opportunity to fix a deeply embedded fiscal problem.

Like Big Labor, local government officials looked forward to a turnaround from the bashing they took under former Governor Pete Wilson. It was Wilson who shorted cities and counties by pushing the Legislature, during the early 1990s recession, to go along with a $3 billion shift of property taxes. Money was siphoned from local governments to help the state meet its financial obligation to public schools.

Local governments soon found themselves severely strapped for cash, on top of the fiscal stress they were already suffering from Proposition 13. Passed 15 years earlier, the tax reduction measure pinched cities' and counties' ability to raise money locally by capping property tax levies and diverting the proceeds into the state's general fund.

Since the mid-1990s, the Legislature has doled some money back to local governments, but always with strings attached. In recent years, counties have received funds to alleviate the costs of running trial courts and cities have been reimbursed for fees they paid to house inmates in county jails. Financial reprieve also came from Proposition 172, a measure designat-

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Local government needs don't seem to register on any priority list in the governor's office.

ing a portion of sales tax revenues for public safety. But even with this partial restitution, cities and counties are still missing almost half the property tax money they were earning before the tax shift.

"We seem to be missing an opportunity here," said Dwight Stenbachen, a lobbyist with the League of California Cities. Stenbachen is concerned that local government needs don't seem to register on any priority list in the governor's office.

"This stuff is complex and doesn't have a lot of appeal to the public and that's why it's going to take a governor to get engaged to make it happen," he said.

Last year, amidst a $4 billion surplus, legislators succeeded in getting Davis to go along with sending $150 million back to locals as discretionary funds. Though this amounted to little more than a fraction of the amount the state still derails annually, local governments celebrated the return of what they considered rightfully theirs. The tide was turning, they figured, on a nearly decade-old promise to stop diverting funds once the good times rolled again.

But with the surplus now tripled to $12 billion, good times may come and go before the state makes full amends, say local government representatives. This year locals will receive $200 million in discretionary funds — only slightly more than last year — and even that sits in a holding tank until a legislative conference committee can come up with a plan to untangle the knotted fiscal relationship between the state and its municipalities. At the root of the problem is a tax system that has robbed cities and counties of their spending flexibility with property taxes.

But the Davis administration points to what it says is a significantly higher amount in this year's budget to help lift local governments out of their financial quagmire. While not specifically shipping back unrestricted money, the governor, by his own accounting, sprung for more than $6 billion to help locals with transportation, health and public safety programs.

"Locals would like to have no strings attached, but that's not how the structure of government has evolved in California since Proposition 13," said the governor's spokesperson, Phil Trounstine.

Last year, counties pressed the issue in Sonoma County Superior Court and won the right to as much as $10 billion in financial remedies. Still, Davis has yet to show serious concern for the problem that has cities and counties chasing after sales tax dollars from large-scale commercial projects.

"The governor is aware of the issue and would like to be able to find a way to encourage local government to build more housing and less strip commercial [shopping centers]," said Trounstine. In essence, until the tax structure is changed, the governor's hands are tied, Trounstine suggested.

Locals, however, found one ray of hope in Davis' recent appointment of Dave Rosenberg, a Yolo County supervisor and former city of Davis mayor, to his Cabinet as senior adviser on local government issues. For the first time, local governments will have a place at the table in the governor's office. Rosenberg and Davis' legislative director, Mike Gotch, himself a former San Diego city councilman and a Local Agency Formation Commission (LAFCO) director, have the combined insight and experience to help the governor resolve the fiscal woes of cities and counties.

But, as one insider pointed out, "They have to get the signal from Davis that it's OK."

Environment

As the public grows increasingly concerned about the health of the environment, Governor Davis risks considerable public dissatisfaction unless the state's natural resources are given more attention. Though Davis has made some significant environmental strides, he has shown little will to reverse the often business-friendly course steered by previous Republican administrations.

Gray Davis made his gubernatorial debut by settling the protracted conflict over logging among the ancient redwoods of Headwaters Forest. Though more limited in scope than many Headwaters supporters would have liked, Davis put his political muscle and the state's pocketbook behind the multimillion-dollar purchase of old-growth forestland.

Never the fair-haired child under Republican administrations, environmental advocates anticipated more sympathetic treatment from a new Democratic governor. But Davis soon showed he had his limits on environmental issues.

Navigating a political middleground, Davis gave his blessing to the $2.1 billion parks bond passed earlier this year, providing a long overdue financial taproot to meet the backlog of urban and regional park needs. Other initiatives that floundered under former Governor Pete Wilson also earned a warmer reception from Davis: an expanded bottle bill, a new look at reversing the disproportionate number of environmental hazards in poor neighborhoods and an improved program to protect marine preserves.

Where he can bring parties together to strike a compromise, Davis is

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more likely to extend his reach. Such was the case when he stepped into California's longstanding water wars and enlisted his top aides to reinvigorate the often contentious CalFed negotiations. For the last six years, the coalition of state and federal water authorities have struggled to find ways to accommodate farmers, fish and urbanites, all with competing demands over the state's limited water resources.

To his credit, said one environmental representative, Davis was willing to tackle a tough problem with a history of exploding in the faces of governors. "I know a lot of people tried to steer the governor clear of water issues," he said.

But when it comes to tackling more local environmental problems, Davis is generally unavailable, say those close to the legislative front.

"The day-to-day environmental issues are just not getting the governor's attention in a positive way," lamented one Capitol insider. "The good people he's appointed are not being allowed to do their job."

No sooner had Davis made his mark with Headwaters than he clipped the wings of his most high-profile appointee, Mary Nichols, the newly appointed Resources Agency secretary who was warmly welcomed by environmental groups. Yanking a decision she made to reverse certain water policies favorable to agriculture, the governor laid down what has become the well-accepted law of Davisland: It's the governor who's in charge, not his appointees.

Environmental groups that once praised Davis' appointment of Nichols, Winston Hickox as director of Cal-EPA and Andrea Tuttle as head of the Forestry Department, now bemoan both the lack of direction and the lack of leeway given to Davis' departmental heads to do their jobs. Though these appointees arrived with top-notch environmental credentials, it's clear theirs is not the final word. According to one environmental organization representative: "They can't give the edict."

But Nichols, who is no stranger to state government, says she entered the administration fully aware that Davis has a go-slow style and heavy micro-management tendencies.

"I knew going into the job I didn't have a free hand, but I also knew I had a governor who was willing to back me to increase the level of environmental protection for California," she said. Nichols credits Davis with several significant strides forward — the water and parks bonds, the CalFed water framework and numerous smaller steps that she believes will better balance environmental needs with economic interests in the future.

Nevertheless, those in the day-to-day trenches advocating on behalf of the state's forests, streams and air say they are losing hope that Davis will turn back Wilson policies designed more to accommodate Big Business than Mother Nature.

"The existing regulations aren't doing the job and the administration has signaled that they aren't willing to push hard," said Kathy Bailey, The Sierra Club's forest conservation chair.

The governor's slowness in appointing department heads, commission members and board representatives to oversee the state's resources continues to frustrate environmental groups. On the forestry board, for example, where two vacancies exist and two seats remain filled by Wilson holdovers, no new policies have emerged to curtail the effects of clear-cutting on endangered salmon populations in the 36 million acres of privately owned forests regulated by the board.

It's still "politics of the moment, not good science" that drives the daily decisions on the bureaucratic front line, according to a recently released confidential survey of staff at the Department of Toxic Substances Control.

With so many upper management positions still held by Wilson appointees intent on carrying out the Republican administration's policies, the department's mission of protecting public health is hampered, concluded the Washington, D.C.-based Public Employees for Environmental Responsibility (PEER) in a recent analysis.

It's not just state employees who are showing dissatisfaction with Davis' plodding approach to curing environmental ills; the general public, too, senses that more should be done. Of those interviewed in a recent Public Policy Institute survey, 70 percent think environmental problems pose a serious threat to the state's well-being, but only half approve how Davis is tackling environmental issues.

From the governor's point of view, his role is that of a "responsible steward," said his spokesperson, Phil Trounstine. "The governor wants to balance the needs of environmental protection with economic stability."

So far, many business leaders think he has lived up to his word. They count as their success the fact that they haven't sought a governor's veto on any environmental bill landing on Davis' desk.

Kathleen Les is an associate editor of the California Journal. *Comments may be sent to* **edit@statenet.com.**

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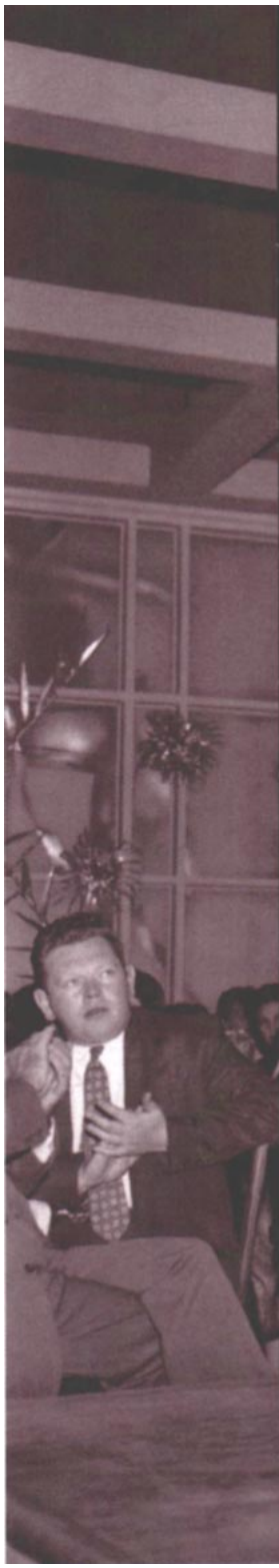

As a political powerhouse:

Gray Davis is one of the most successful Democratic politicians in the country, with stratospheric approval ratings and an imposing campaign war chest. His secret: centrist politics, relentless fund raising and a knack for deal-making. Oh, and a booming economy doesn't hurt, either.

By Steve Scott

It was one of those made-for-television moments that every politician covets. Standing together on a bright summer day in Sacramento were two California governors — Gray Davis, the current occupant of the job, and Pete Wilson, the man he replaced. Davis, a Democrat, had invited his Republican predecessor to join him in heading up the campaign to pass a ballot measure that would scale back the two-thirds vote requirement for local school bonds. With the lush park adjacent to the state Capitol as a backdrop, the two men smiled and swapped stories as a crowd of Capitol denizens and journalists craned for a peek. Most were drawn to the event by the simple novelty of seeing two governors together someplace other than a funeral.

But a few legislative Democrats later joked that they'd stopped by on a personal fact-checking mission. They wanted to verify that Wilson and

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Davis really are two different people.

There's no denying the similarities between the two men, similarities that extend beyond their conventional style of dress and blandness on the stump. Both Wilson and Davis are identified with the moderate wings of their respective political parties. Both are workaholics who revel in the details of policy-making. Both are relentless politicians who raised the campaign fund-raising bar every time they ran for statewide office. Both have enormous personal egos and a somewhat jaded view of what constitutional nitpickers refer to as "the separation of powers." And both seem to take special pleasure in telling Democrats in the Legislature to go to hell.

So if these guys are so much alike, how is it that one left office with his tail between his legs, reviled by his own party and mocked by the opposition, while the other sits atop the

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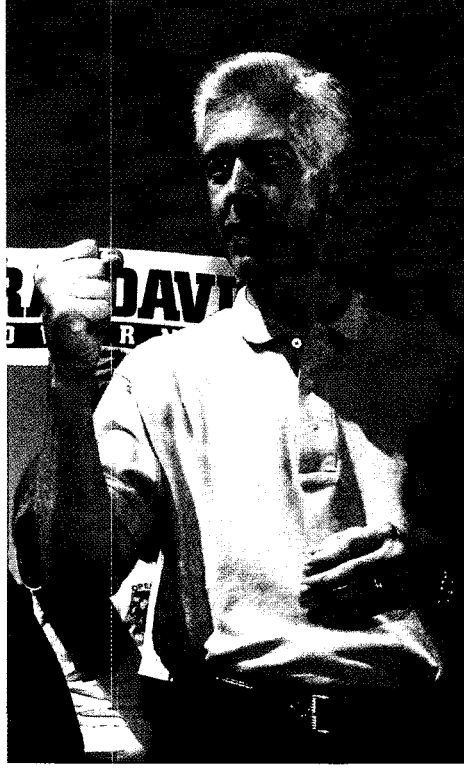
There's no denying that with the constituency that matters — the California electorate — Gray Davis is on a roll.



political world, proclaimed by *Time* magazine as "the most fearless governor in America"?

Answer that question, and you have the key to assessing Gray Davis, the politician.

There's no denying that with the constituency that matters — the California electorate — Gray Davis is on a roll. The most recent Field Poll showed Davis' approval rating at a remarkable 61 percent. Even a majority of Republicans (51 percent) approve his handling of the office. Davis has more or less had his way with a Legislature dominated by Democrats far more liberal than he. His political team is the *de facto* California campaign team for Democratic presidential candidate Al Gore, a fact that has helped Gore maintain his post-primary lead over Republican George W. Bush in the most recent Field Poll. And as a fund-raiser, well, the guy's a monster — more than $16 million socked away since he became governor with his re-election campaign still two and a half years away.

"[Davis] could have the easiest re-election of a governor since 1954, when Goodwin Knight got re-elected and the Democrats didn't even put anybody up," said longtime Republican analyst Tony Quinn.

Davis' high-riding poll numbers have a lot to do with the overall good mood that Californians are in these days. The same Field Poll that showed Davis at 61 percent approval also gave a two-to-one positive rating to the state Legislature, an event that occurs about once every Ice Age. President Bill Clinton and Senators Dianne Feinstein and Barbara Boxer are riding high as well, and while voters here currently prefer Gore in the presidential race, they don't necessarily dislike Bush.

A major factor driving those good feelings is the high-riding economy, both in California and the nation. Fueled by the high-tech boom, state coffers boasted a surplus topping $12 billion this year. At this point in his first term, Pete Wilson was struggling to close an $11 billion deficit. That's a $23 billion swing between where Wilson was eight years ago and where Davis is today. Add to that the fact that Davis has been spared the natural disasters that seemed to crop up on a six-week cycle during the Wilson years and, well, you do the math.

"Back then, the question was 'Which programs do we cut?'" said Field Poll director Mark DiCamillo in *The Sacramento Bee*. "Now the debate is about which programs will receive more money. These choices are much more palatable to the public."

While it's tempting for Davis' critics to credit his high poll numbers to good timing, Davis brings much more to the game than his lucky rabbit's foot. For one thing, the governor's political work ethic may even exceed that of Bill Clinton. Those who know him say he is almost never "off the clock," and never misses a chance to talk shop or cut a deal. When Wilson visited Sacramento, Davis talked with him about how to (or, in Wilson's case, how not to do) move the state budget along. And then there is the fund raising. For some pols, personal fund raising is a necessary evil. For Davis, it seems to be his reason for getting up in the morning.

"He's just extraordinarily blatant about it," said one former Capitol insider who still hears some of Davis' relentless pitches for campaign cash. "There's no subtlety at all."

Davis' success as a money magnet is about more than just hustle. Unlike more partisan pols such as Wilson, Davis is an equal-opportunity fund-raiser. Whether it's insurers or trial lawyers, big business or big labor, Davis takes it from everyone. Only tobacco and gun money is off limits. In 1999, Davis' supporters in organized labor contributed $1 million. But utility companies, timber interests, insurers and other almost exclusively GOP donors ponied up nearly $2 million. In 1999, Davis' largest individual donor was a Republican — Univision owner A. Jerold Perenchio, who pitched in $250,000.

The governor's capacity for mining gold from both ends of the shaft points to what many consider his greatest strength as a politician: his ability to, as he puts it, "govern from the center."

Few politicians have been as successful as Davis at positioning themselves in the mainstream. Unlike Wilson, whose centrist reputation masked an activist, partisan core, Davis is resolutely moderate, always in search of the middle ground. His surplus-fattened budgets — delivered on time two years in a row — combine Democrat-friendly spending hikes in education and health-care programs with tax cuts designed to appeal to Republicans. Legislators whose bills stray too far out of the box face the choice of accepting amendments or facing a veto. Davis has positioned himself as a hard-liner on public safety issues.

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Yet even here, he leaves himself wiggle room. After signing a package of gun bills last year, Davis proclaimed a legislative "moratorium" on new gun-control measures so as to give the new laws "time to work."

The Davis profile — pragmatic on policy, cautious with the treasury and hard core on crime — is tailor-made for the California electorate. His go-slow approach dovetails with voters' desire that the prosperity boat not be rocked. And his centrism fits the bill for voters weary of the partisanship that characterized the Wilson era and that continues to bog down policy-makers in Washington, D.C.

So why does it sometimes feel as though Gray Davis is one stock-market plunge away from more earthbound approval ratings? Perhaps it's the lingering sense that the constituencies he's alienated or ignored in the good times are lying in wait for the economy to turn sour.

Few would disagree that Davis' relations with the state Legislature are prickly. Despite having served as a lawmaker himself in the mid-1980s, Davis has been, at times, brazenly dismissive of the Legislature. Indeed, Davis' most vociferous public opposition comes not from the Republicans, but from Democratic Senate President pro Tempore John Burton (D-San Francisco). The governor's infamous 1999 proclamation that the Legislature's job was to "implement my vision" was, by his own admission, his single biggest public relations gaffe that year. Yet many lawmakers report that, even now, Davis seems not to have much use for the "co-equal" branch of government.

"He just doesn't care about us at all," said one Democratic lawmaker who asked not to be identified. "We're just his instrument."

Another neglected "instrument" in Davis' political orchestra is the Democratic Party's liberal base. As Davis courts high-rolling contributors in the insurance, oil and timber industries, core constituencies such as organized labor, teachers, trial lawyers and environmentalists find their priorities watered down or, in some cases, flatly rejected by the governor. When he does throw a bone to the Democratic base, it is generally on something safe, such as his recent public stance against the upcoming school-voucher initiative.

"The issues he's picked for the base are the simple ones ... choice, guns and so forth," said Quinn. "But he hasn't done anything for the base in terms of putting dollars in their pockets."

Another chink in Davis' political armor is the lack of any long-term alliances to backstop him. Despite some three decades in California politics, the governor's political support system remains small — his wife, Sharon, his campaign manager Garry South and a small circle of associates from his days as Jerry Brown's chief of staff are about it. The ranks of staunch Davis defenders at the Capitol, never very large to begin with, shrink further every time another imperious "implement my vision" quote passes his lips.

A cantankerous Legislature is not without political weapons of its own. Emboldened by their well-regarded investigation of former state Insurance Commissioner Chuck Quackenbush, Assembly Speaker Bob Hertzberg (D-Los Angeles) has begun charting new targets of legislative oversight. It goes without saying that most of the areas subject to legislative oversight are controlled by the governor. And an ally-free Legislature could become a problem for Davis if the state's fiscal situation sours.

For now, however, all those possibilities exist primarily in the realm of speculation. An angry base and a frustrated Legislature are no threat to Davis' popularity. Indeed, to the degree that he is seen as pushing against the excesses of his party's liberal wing, the friction only serves to strengthen his poll-friendly image as a moderate.

The bottom line is that, for the foreseeable future, Davis' political star will remain on the rise. The resignation in disgrace of Quackenbush in early July leaves Secretary of State Bill Jones as the only Republican even remotely positioned to challenge the governor's re-election in 2002. And while there is the chance he could face a primary challenge, Davis' current fund-raising pace could put him at $40 million by then — an awfully imposing barrier to any would-be troublemaker.

"When it comes down to it, he's there with his key constituency groups and he's done a good job of bringing additional folks into the fold," said Democratic political consultant Steve Gray-Barkan. "He's in good shape."

Steve Scott is political editor for the California Journal. *Comments may be sent to* **edit@statenet.com.**

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His administrative style:

More than any other recent governor, Gray Davis has immersed himself in virtually every detail of running his administration. Davis says his micro-management style is about accountability. But the result has been a bogged-down appointments process and some unexpected crisis management.

By Steve Scott

One evening this past spring, Governor Gray Davis found himself at the center of some (mostly) good-natured ribbing as the guest of honor for the annual California Roast, a fund-raiser for the leadership training group Capitol Focus. One of the governor's "tormentors" was his former boss, ex-Governor Jerry Brown, whose bit included a poker-faced *attaboy* for Davis' handling of gubernatorial appointments. Brown told the ballroom full of Capitol insiders that he'd never had much use for the appointments process, and that if Davis dragged his feet at filling openings, it was more than understandable. For one thing, Brown noted, leaving vacancies open also left open fund-raising opportunities — *de facto* invitations for political contributors to whisper names into the governor's ear.

"Way to go, Gray," said Brown. "I'm right there with you."

There was a certain self-effacing irony in Brown's remarks. This was, after all, a governor whose legacy was, in part, shaped by his own lightning-rod appointments. Still, to be mocked by Jerry Brown over, of all things, appointments, must have been an especially difficult pill for Davis to swallow, since it hits upon what has become the touchiest question for a touchy administration.

How well is state government being run?

To be sure, Davis took office with great expectations regarding his ability to manage the day-to-day affairs of state. As Brown's chief of staff, Davis had been the "man behind the

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curtain," handling (sometimes manhandling) the tiller of Brown's erratic ship in order to keep the state on course. That background, and his subsequent stints as a legislator, state controller and lieutenant governor, earned him an infamous sobriquet: "The best trained governor-in-waiting California has ever seen."

The compliment, first penned by the man who is now Davis' communications director, has become something of a millstone for the governor. In the year and a half since he took office, Davis has been criticized for the glacial pace at which he has made appointments. As recently as a year into his governorship, Davis still hadn't filled half of the departmental directorships. The head of the Department of Motor Vehicles — the single busiest state agency — went unfilled for more than a year. One former Wilson administration aide chortled that many of his friends "still have jobs."

Even when those jobs are filled, the Davis administration has been marked by the sorts of problems not expected in someone with so much "training."

•Caltrans Director Jose Medina, one of Davis' most visible early appointments, had to be removed by Davis after a sequence of controversies, including alleged "sweetheart deals" involving a Riverside private toll road and a San Francisco parking garage.

•The Department of Veterans Affairs, identified early

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on as a personal and political priority for Davis, is now on its third director. First choice James Ramos resigned less than six months after his appointment amid fierce opposition from veterans' groups. His replacement, Thomas Alvarado, also was forced to step down due to the controversy surrounding a suspicious death at a Barstow veterans home.

Far from shying away from his reputation as a micro-manager, Davis and his spokespeople present it as the ultimate example of personal accountability.

•Davis' choice to head the California Youth Authority, Gregorio Zermeno, resigned amid criticism over his handling of allegations of abuse within some institutions.

•Lingering vacancies on dozens of boards and commissions have left some without quorums. The Public Utilities Commission, which regulates electricity and telephone service in the state, had to be stocked with emergency appointees to ease a critical backlog when the five-member board lost its quorum.

•Davis' appointment of San Francisco Mayor Willie Brown to a paid position on the Public Employees Retirement System board became a public relations fiasco when the governor's press office denied the appointment had been made even though Brown had already been sworn in.

•Some of Davis' better-regarded appointees have left early, most notably Education Secretary Gary Hart, perhaps Davis' most respected adviser. While she is still on the job, Natural Resources Secretary Mary Nichols had to endure a public kneecapping early in the administration when she took a modest, but unauthorized, step in a legal proceeding concerning water resources.

Some of the problems Davis has experienced setting up shop have been situational. Unlike past governors, Davis did not come to office with a large cadre of supporters, making it necessary for him to cast a broader net for appointees. The job of governor has also changed considerably since Davis was Brown's chief of staff, setting in motion a learning process that would be necessary even for the most experienced politician.

By most accounts, however, the bulk of Davis' missteps — both those of omission and of commission — stem from a common characteristic: his insistence on maintaining tight control over everything that touches his administration. Davis insists on direct involvement in hiring decisions that have historically been the province of department directors or Cabinet secretaries. By most accounts, those who do get hired are discouraged from exercising independent judgment on anything but strictly ministerial matters, with the Nichols incident looming as evidence of the price paid for independent thought. Davis' controlling ways even extended itself into the judiciary when, during a Washington, D.C. news conference, the governor suggested that his judicial appointees should resign if their rulings on core issues run counter to his opinions.

"My appointees should reflect my views," Davis said. "They are not there to be independent agents. They are there to reflect the sentiments that I expressed during the campaign."

Paradoxically, however, some of Davis' appointee troubles have been caused by paying too little, rather than too much, attention to the job. Medina got his job despite an acknowledged lack of experience in transportation issues, and his appointment was widely seen as payback for the former San Francisco supervisor's early support of his campaign. Willie Brown's appointment was also seen as political debt-repayment.

Far from shying away from his reputation as a micro-manager, Davis and his spokespeople present it as the ultimate example of personal accountability. After all, they maintain, it is Davis who was elected to the governorship, not his staff. "Their job is not to think like they think," said Davis of his appointees. "Their job is to think like I think." In some cases, his measured pace on some appointments may have been a deliberate political calculation. The presence of former Wilson aides in lightning-rod agencies such as DMV and the state lottery enabled Davis to keep controversies in those agencies at arm's length. Davis and his aides also believe the complaints about Davis' handling of the administrative aspects of the job reflect an insular Sacramento mind set and are not of concern to the public that elected Davis.

"Part of the reason the Legislature and governor are enjoying record approval ratings is that they've done a terrific job on critical issues," Davis communications director Phil Trounstine recently told the *Los Angeles Times*. "That's what really matters — not this sort of 'inside the cul-de-sac' echo chamber."

A recent Field Poll would seem to back up Trounstine's point: Less than half of those surveyed saw the slow pace of appointments as a major concern. But in some instances, Davis' controlling ways are creating turmoil well outside the boundaries of the "cul-de-sac." One such situation involves Davis' involvement in a gathering storm over how to develop the fairgrounds in Napa County. As reported in the story that follows, the Davis administration's insistence on pulling all the strings in what was essentially a local matter threw a potentially beneficial development project into chaos and exposed the administration to the threat of legal action.

The Napa fairground controversy serves as an effective case study for the administration's handling of the ministerial affairs of the state. It also begs the question that, for the foreseeable future, will continue to dog Davis' governorship:

When it comes to micro-management, how much is too much?

Steve Scott is political editor for the California Journal. *Comments may be sent to* **edit@statenet.com.**

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Napa Cries "No Fair!"

A plan securing the future independence of the Napa County Fair has been halted by the Davis administration, whose tactics have infuriated many in the community and raise the question: Is this governor meddling too much?

By Noel Brinkerhoff

Despite living half a millennium ago and half a world away, Niccolo Machiavelli would have been right at home in today's Napa Valley. The great Italian scribe would have undoubtedly enjoyed Napa's blond hills, brimming vineyards and mild, Mediterranean-like climate, all of which resemble Machiavelli's home country of Italy. But even more so, Machiavelli, who authored the 15th-century guide to political power, "The Prince," would have understood the political machinations that have percolated beneath the bucolic surface of Napa the

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past year.

As someone who once found himself exiled in the wake of changing political leadership, Machiavelli could walk among Napa's residents today and sense a familiar sense of frustration and helplessness about the fate of the town's fairground and their feelings of alienation from the state's political leadership.

In short, the story of Napa's attempt to renovate its county fairground is a Machiavellian one, with tales of political intrigue at its core.

For years, Napa officials have wanted to bolster the future of the county fairground, situated on 34 acres in the city's downtown district, with a modest redevelopment plan — a plan begun during a Republican administration but one that became stalled soon after Democrat Gray Davis took office. No one in Napa expected that the leadership change in Sacramento would cause any trouble but that's what happened.

At its height, a respected fair executive was accused by the administration and the state Attorney General's Office of breaking the law and underwent two investigations. In turn, some have accused the administration of deliberately targeting the executive in order to kill the town's fairground proposal, which includes plans for a hotel project. Further, one of the governor's recent fair board appointees is connected to a rival Napa hotel plan through a company that contributed $34,500 to Davis' 1998 gubernatorial campaign.

Mixed messages from Davis officials have led Napa officials to lose hope that the project will ever be completed. And even more troubling is the manner in which — and the possible motivations behind — the administration's handling of the fair proposal.

Officially, the administration says it was simply looking out for the best interests of the state and the community.

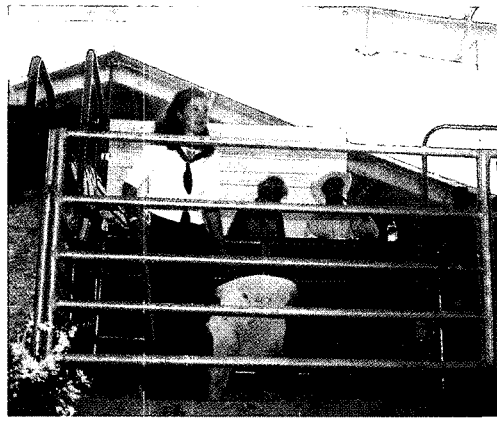
"I'm a strong supporter of the [county] fair system," says William J. Lyons, secretary of the California Department of Food and Agriculture (CDFA), which oversees the operation of county fairs. "I wanted to make sure things were done correctly [in Napa]."

Among the administration's objections to the fairground proposal were concerns that the land wasn't fairly valued in the proposed lease and that there existed a too-cozy relationship between members of the existing fair board and the nonprofit entity slated to take control of the fair.

The administration's other lead official on the Napa project, Secretary Aileen Adams of the State and Consumer Services Agency, added that the state wants to move forward and "get past the finger pointing" that's been going on between administration and Napa officials.

Redevelop it and they will come

Like many county fairs, the Napa Valley Expo is governed by a state-appointed fair board, known officially as the 25th District Agricultural Association, whose members are selected by the governor. The fair has been financially dependent for decades on modest state subsidies because revenues from horse racing, once the financial backbone of county fairs, have steadily dwindled. To eliminate its reliance on the state handouts, local leaders began looking 10 years ago for a new way to generate money. Their plan was to get the state, which owns the fairground property, to lease it at a nominal cost to a local non-profit organization that would build a hotel and conference center on one section of the fairgrounds. Locals believed the hotel's revenues could provide a secure income for the county fair and pay for renovations of the fairground's aging exposition buildings.



During the 1990s, Napa leaders held countless public meetings on the project to garner community input and bipartisan support. The plan received backing from the area's Democratic leaders, including its most prominent, Congressman Mike Thompson of St. Helena, who as a state senator in 1998 authored legislation to allow local control of the fairgrounds property. Republican Governor Pete Wilson eagerly supported Napa's plan because it fit well with Wilson's philosophy of smaller state government, making Napa a potential model for other county fairs to follow in gaining independence from the state.

But after Davis' election as governor, the project ran into trouble. The state was on the verge last summer of completing the lease that would turn the fairgrounds property over to the nonprofit agency, when "everything went dead," according to Ron Birtcher, a Southern California developer and Napa resident who served as president of the Napa fair board. "Everything came to a halt."

When the lease didn't materialize, Birtcher and others called the Davis administration and were assured that everything was fine and on track. But last August, just before the town's annual county fair opened, auditors from CDFA showed up in Napa. Since the annual audit in January had found nothing wrong, this second audit was unusual. But even more unusual was how CDFA officials conducted themselves during their second visit, according to those involved. In addition to reviewing the fair's financial records, auditors questioned fair staff about general manager Dorothy Lind, a respected fair executive who was the driving force behind the Expo's redevelopment plan.

"I've been in the fair industry for 13 years, and what happened has never happened before during an audit," says Denise O'Brien, the fair's business assistant.

Twice, auditors pulled O'Brien aside and probed her for personal information about Lind. According to O'Brien, the auditors asked if Lind owned any property or businesses in the area. The auditors, says O'Brien, told her that they

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were "just doing what the secretary [William J. Lyons] told us to do."

A former administration official, who would speak only on condition of anonymity, says the auditors were under instructions by Lyons to find something on Lind. "It was an absolute abuse of power to use career professionals for such a directly political and malicious purpose," says the former administration official.

Lyons, however, denies the allegation. "That's incorrect," he said. "My auditors are state employees. They conducted the audit in a customary fashion."

But when the CDFA compiled its audit report of the Napa Valley Expo, it included an allegation that Lind had a financial conflict of interest with the redevelopment plan. Lind, a paid employee of the Expo's board, also serves as an unpaid, non-voting member of the nonprofit entity that would eventually take over the fair. The audit report claimed that she had represented herself as CEO of the nonprofit entity, a charge that subsequent investigations proved was untrue. CDFA gave its audit report to the Attorney General's Office, which issued an opinion to Lyons and Adams on November 4, 1999.

In that opinion, the AG's office agreed that Lind had a conflict of interest — a conclusion reached by AG deputies without any investigation of their own. "No independent fact gathering or interviews were conducted...," the letter states.

The AG's opinion set in motion two investigations of Lind — one by Napa's district attorney and another by the state Fair Political Practices Commission — both of which cleared Lind of wrongdoing. In fact, when Napa district attorney Gary Lieberstein issued his findings, he wrote: "It is inconceivable as to how these allegations reached the level of a criminal accusation in the first place."

The allegation, however, had already done its damage, both to Lind's reputation in the community and to the fairground transition plan, which Lyons halted in early November.

"We were told by the AG that the process was fatally flawed," says Lyons in explaining his decision. Because of pending litigation, he declined to comment further.

But most perplexing is why the AG's office went along with CDFA's findings against Lind when one of the AG's own attorneys, Harold Eisenberg, who served as counsel to the Napa fair board, had stated a month earlier in an internal memo that there was nothing to the accusation. In the October 6, 1999, memo obtained by the *California Journal*, Eisenberg wrote that he was "not aware of any potential conflict of interest" regarding Lind. "I am not aware of any business investments, interests in real property or any source of income or business interest which should have disqualified the general manager from carrying out her duties to transition the fair."

Eisenberg, who has since left the AG's office, did not return calls seeking comment for this story.

When asked why the AG's office issued its opinion in light of the Eisenberg memo, AG spokeswoman Sandra Michioku said, "There were questions outstanding [about conflicts of interest] that needed to be resolved." Michioku declined to say anything further, citing pending litigation against the state by Lind.

Kevin Block, a Napa attorney representing Lind, confirmed that Lind has filed a $1 million claim with the state Board of Control, but wouldn't provide any details. Sources close to the matter say negotiations have been under way between Block and the AG's office to settle that claim.

Another attorney, former FPPC executive director Wayne Ordos, who represented Lind during the two conflict-of-interest investigations, accused Lyons of going after Lind in order to kill the fairgrounds project. "[Lyons] set out to do damage. He set out to hurt Dorothy, and he set out to derail the [fair's] transition process from happening. So far, he's been successful."

Don't call us, we'll call you

In addition to the Lind saga, other developments this year lead some Napa officials to believe that the administration is stonewalling their project. In February, the governor's office invited a delegation from Napa to Sacramento for a meeting. The governor's legislative affairs secretary, Mike Gotch, told the Napa delegation that the administration was supporting the project, but that secretary Adams would now serve as the administration's lead.

Gotch also told the Napa officials that they couldn't use the local nonprofit to carry out their fairground redevelopment plan. Instead, the governor wanted the project kept with Napa's current fair board.

This decision left Napa community leaders flabbergasted. All along, they had wanted to conduct the project through a nonprofit because they feared that a state-run entity would be too burdened by bureaucratic red tape to successfully build a hotel/conference center. The president of Napa's Chamber of Commerce, Mark Richmond, who attended the February meeting in Sacramento, put it bluntly: "The state has a snowball's chance in hell of developing the property."

Local officials were assured that the administration would quickly craft legislation that would put the fair project on a fast track. The fair board's new president, Peter Chiarella, a Wilson appointee, says he was told repeatedly in conversations with Adams and others that everything was going forward. But no action was taken, he says, to back up those promises. In June, the administration shifted its position again, saying it was now looking at other

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options for proceeding with the project.

When asked what those other options were, Adams couldn't offer any. "That's for the fair board and General Services and Food and Ag to work out," she said, adding that nothing became of the fast-tracking promise because the fair board did not act on the administration's recommendation to use the fair board for the project.

During that time, the governor appointed four new board members — a move that has left the fair board politically deadlocked between Wilson appointees and Davis appointees. "That's something, in my seven years on the board, we've not had," says Chiarella. "It's pretty evident we [the board] have a partisan attitude."

In addition, at the fair board's June meeting, two of Davis' appointees announced their own financial conflicts of interest, which bar them from voting on the fairground proposal. Myrna Abramowicz, a real estate broker, has clients near the fairgrounds, and Jim Cathcart, a former state Senate consultant, currently serves as vice president of The Doctor's Company, an insurance firm that has its own hotel/conference center proposal in south Napa County. Through its political action committee, DOCPAC, of which Cathcart is treasurer, the company gave $34,500 to Davis' campaign in 1998.

Phil Trounstine, the governor's spokesman, said DOCPAC's contribution had "nothing" to do with Cathcart's appointment and dismissed any concerns about the rival hotel project.

The truth is out there

The events of the past year lead some Napa officials to wonder if the administration has it out for the fairgrounds project. In order to try and get some answers, the Napa Chamber of Commerce last year hired KPC Communications, a division of Kahl/Pownall, the Capitol's top lobbying firm, to do some snooping. KPC found, as stated in a memo to the Napa chamber: "Resistance (or opposition) to the Napa Valley Expo stems from concerns within the Governor's Office or the Department of Food and Agriculture with the full awareness and consent of the Governor's Office."

The memo also stated that "Resistance and/or opposition to the project stems from perceptions or political considerations that are not readily apparent at this time."

But those close to the project, both in Napa and Sacramento, have privately offered their own theories.

One is the Partisan Theory: Because the project was endorsed by the Wilson administration, the Davis administration viewed it as having a "Wilsonian stench" and wanted nothing to do with it.

Another is the Control Theory: Because the original plan called for local control of the fairgrounds, it is argued that neither Davis nor Lyons wanted to lose the state's grip on the Napa property.

A third theory concerns the governor's fundraising efforts. Democrats in Napa admit that the valley, despite its wealth, did not contribute in any substantial way to Davis in his 1998 gubernatorial race. This theory suggests that the governor bagged the fairgrounds project in order to make a statement: pony up, ladies and gentlemen.

Interestingly, a fundraiser for Davis was scheduled last fall at the home of Napa wine maker Robert Mondavi. The $1,000-per-person event later was cancelled, however, by the governor's office due to a "scheduling conflict." On November 5, the same day that the fundraiser was to have been held, Lyons notified Birtcher in writing that the fairgrounds project had been called to a halt.

The fundraiser was never rescheduled, which isn't surprising given the feelings of many Napans in the wake of the fairgrounds fiasco. As one Democratic insider put it: "People who have money in this valley have no interest in contributing to this governor."

A fourth, and perhaps the most far-fetched, theory also involves Mondavi, who has endured a bitter rivalry with Central Valley vintner Ernest Gallo that dates back decades. As part of the fairgrounds project, Mondavi has pledged to spend $4 million to build a model farm on the redeveloped property, in addition to the $20 million he is spending to build the American Center for Wine, Food and the Arts in downtown Napa. Because of Mondavi's involvement, it's argued that Gallo used his political connections with the Davis administration to axe the project.

Those theories leave Trounstine exasperated. "The Davis administration, from the beginning, has made it clear that we want to see the project succeed legally. It's good for Napa, good for the region and it ought to be done legally and above-board," said Trounstine. "There's no ulterior motive here. The only other motive is to do the right thing."

But whatever the reason, it's clear that something is keeping the fairgrounds project from going forward — and time is running out because of other competing hotel projects. Some in the community fear the administration knows this and is playing a waiting game with Napa.

"Timing in real estate is everything," says Birtcher. "All they [the administration] have to do is stall, and it [the project] dies."

Noel Brinkerhoff is associate editor for the California Journal. *Comments may be sent to* **edit@statenet.com.**

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Lydia Camarillo: Beyond tokenism

by Dana Wilkie

When Democrats convene in Los Angeles this month to gavel their national convention to order, look closely at the woman onstage, the one who pieced together this four-day confab.

It may be obvious from her name — Lydia Camarillo — that she is a Latina. Less obvious about the convention's chief executive officer, the person who orchestrates everything from delegate hotels and convention security to the theme of the four-day event, will be this:

That she grew up the eldest daughter of poor Mexican immigrants in a household whose first language was Spanish. That she lived in El Paso's housing projects and east Los Angeles' barrios. That she joined the Democratic Party at 18 with the singular mission of bringing Latinos respect and dignity in American politics.

Lydia Camarillo

And that, at 42, Camarillo has become the virtual embodiment of her goal — the first Hispanic to ever be chief executive officer of a national political convention.

There is no tokenism here; while Democratic nominee Al Gore had good strategic reasons for insisting the convention's top job go to a Latina, Camarillo accurately reflects how far Latino political power has come in this state.

Unlike past Democratic nominating conventions, it won't merely be that cameras will pan across a sea of delegates healthy with minorities, or that the convention will highlight commitments to affirmative action, equal pay and making minorities integral to a Gore administration.

Latinos such as Camarillo will, in many respects, be leading this convention, the way they have led this state's politics for several years. Featured will be Antonio Villaraigosa, former Assembly speaker and current candidate for Los Angeles mayor; Cruz Bustamante, the state's lieutenant governor; Art Torres, chairman of California's Democratic Party; leaders of the state's congressional Hispanic caucus, including Xavier Becerra and Lucille Roybal-Allard; and those in L.A.'s political community, including county Supervisor Gloria Molina.

In the faces of those featured at this month's nominating event, some Americans will, for the first time, see the direction political leadership is headed in this country. To some, this may come as a surprise. To others, it may come as a shock.

"Latinos have come of age in the last years in a way that has allowed them to advance politically in states such as California and Texas," Camarillo said. "What you're seeing in California is the result of Latinos becoming a significant population, but I think you will see this throughout the United States in the future."

Latino influence has crept up on Californians, who've had years to get used to the idea of being led, in large part, by a group that is still a minority in the Golden State. In other states where the Latino population is swelling, the fact that this may someday translate into Latino political clout may not yet be apparent. Such a reality may seem too far in the future to think about.

But there will be no ignoring it during the convention.

Six months pregnant when Gore hired her, Camarillo moved her family from San Antonio to Los Angeles last September. She delivered son Antonio Andres on January 17 and was back at her convention job a week later.

Her mother, a recently naturalized Mexican immigrant, cares for the baby during Camarillo's 13-hour work days. The family nonetheless knows about the costs of child care, having paid dearly for afterschool care for its first son, Miguel Alejandro, in San Antonio, where Camarillo was director of the Southwest Voter Registration Project and her husband, Michael Anthony Cohen, worked in clothing retail.

In Camarillo, Gore gets not only a Latina who represents California's new political dynamic. He also gets a working mother who juggles career and home. Who knows the importance of good public schools and affordable colleges. Who appreciates the challenges of being raised in a bilingual home, and of learning English in America's schools.

Gore, in essence, has a symbol for many of the key initiatives he will highlight as he heads into the final months of campaigning against Texas Governor George W. Bush: Minority inclusion. Equal pay for women. The high cost of child care. The importance of family leave. Breaking the glass ceiling.

When Democrats gavel the convention to order on August 14, Camarillo's is precisely the face Gore wants all America to see.

Contributing Editor Dana Wilkie is a Washington correspondent for the San Diego Union Tribune. *Comments may be sent to* **edit@statenet.com.**

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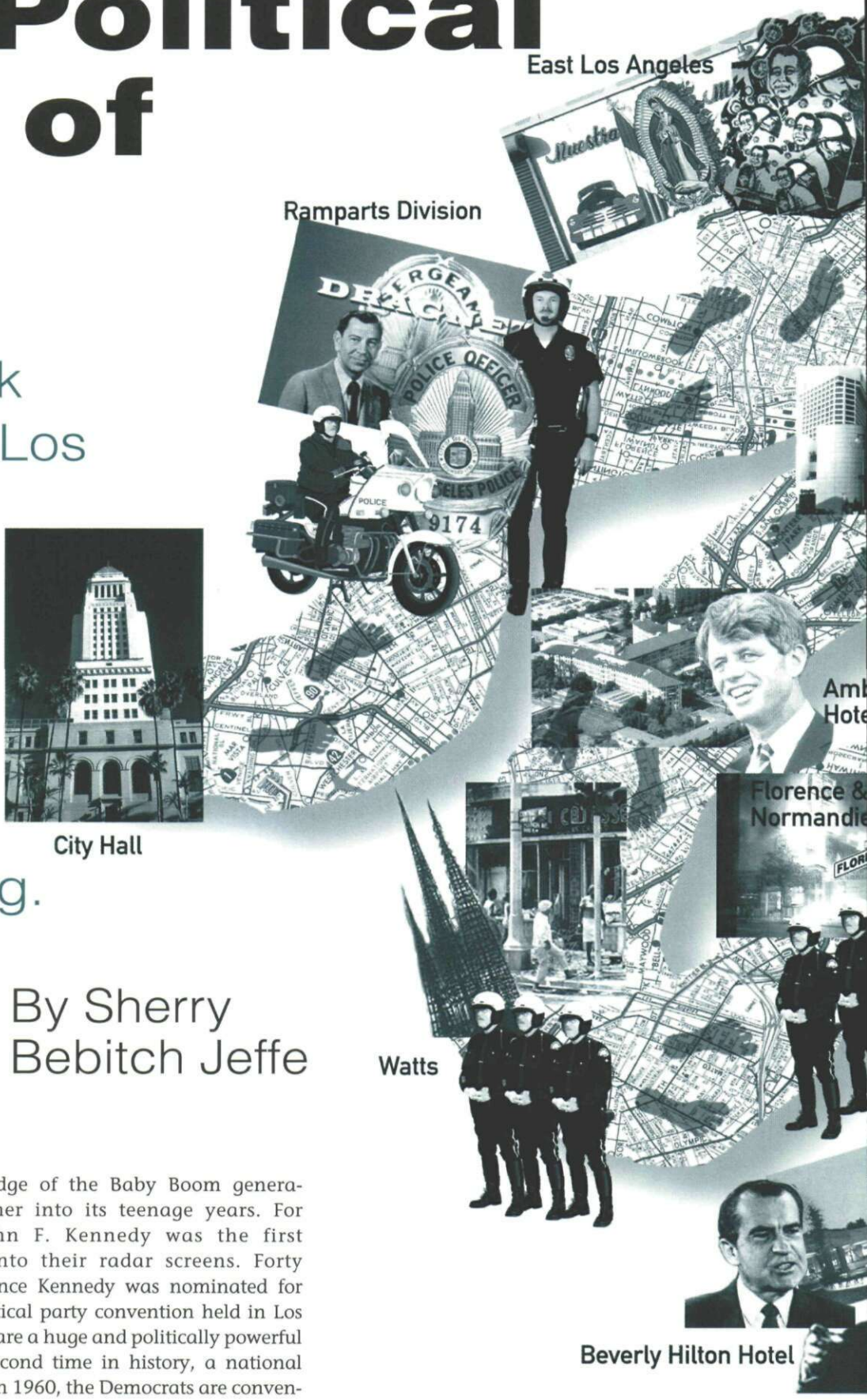
The Political Side of L.A.

No laid-back Tinseltown, Los Angeles is a political potboiler of history, controversy and sites worth touring.

City Hall



By Sherry Bebitch Jeffe

In 1960, the front edge of the Baby Boom generation turned the corner into its teenage years. For many of them, John F. Kennedy was the first politician to blip onto their radar screens. Forty years have elapsed since Kennedy was nominated for president at the first major political party convention held in Los Angeles. In 2000, Baby Boomers are a huge and politically powerful group of voters. And for the second time in history, a national convention has come to L.A. As in 1960, the Democrats are convening here.

A lot has happened to Los Angeles between 1960 and 2000. The

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city has become more diverse and fragmented, and so have its politics. The city has sprawled beyond its urban roots, and so have its politics. Today, the boundaries of political Los Angeles define a sphere of influence far beyond the boundaries of geographical Los Angeles. This is a reality often hid behind the image of L.A as an apolitical, laid-back "Tinseltown." It is also a reality informed by a political history as rich as that of any city in America.

What follows is a brief, basic — and idiosyncratically selective — orientation to political Los Angeles, and those sites that dramatize the political history that shaped Los Angeles — and, in some cases the nation — in the years between two Democratic conventions.

• **Los Angeles City Hall and the Los Angeles County Hall of Administration** — The twin seats of local government form the hub of L.A. political activity. The former, like the city itself, still is undergoing renovation in the wake of the 1994 Northridge earthquake. The latter is home to the most powerful local officials in the country (dubbed the "five little kings" before a woman broke the government's glass ceiling) who serve as county supervisors for 10 million people and who each represent more constituents than the governors of most Western states.

• **The *Los Angeles Times*** — The most powerful paper in the West, the *Times* until this year had been controlled for more than a century by the Otis and Chandler families, who helped guide the city's economic, political and cultural fortunes. Located at Spring and 1st streets, the *Times* was sold this spring to the Chicago-based Tribune Company. With little interest in political news among local broadcast media, the drama of politics largely is played out in the city's diverse newspapers, including the *Times*, San Fernando Valley's *Los Angeles Daily News*, foreign-language publications, such as *La Opinion*, and alternative papers such as *L.A. Weekly*.

• **Los Angeles Unified School District Headquarters** — Located at 450 South Grand, the district is the new lair for Roy Romer, the former governor of Colorado who is the first non-educator named superintendent of the nation's second-largest — and one of its most dysfunctional — school system.

• **Rampart Division** — For America in 1960, the Los Angeles Police Department meant Sergeant Joe Friday and his "Dragnet" cohorts. Today, the image is one of scandal, the latest centered at the Rampart station located at 2710 West Temple. The corruption investigation involves allegations of perjury, planted evidence, unjustified shootings and beatings.

• **Olvera Street** — At 622 North Main Street, this is a touristy Mexican-style marketplace that once was a "must stop" for politicians courting Latino voters. Now, stopping there for a "Latino event" can be perceived as stereotyping a voter group that permeates the city demographically, economically and politically.

• **East Los Angeles** — Head east from downtown and you'll reach what has been pegged as the heart of L.A.'s barrio. This is the site of the 1970 anti-Vietnam War Chicano Moratorium March that erupted into violence when police tried to break up the crowd. Property damage was estimated at $1 million. *Los Angeles Times* and TV news reporter Ruben Salazar was killed when struck by a police tear-gas projectile. His death and the subsequent riot became seminal events in the political education of a new generation of Latino activists.

• **The Biltmore Hotel** — Now called the Regal Biltmore, this downtown landmark sits at 506 South Grand Ave. During the 1960 convention, in these halls and suites, victorious John F. Kennedy offered the vice presidency to his vanquished foe — Texas Senator Lyndon Baines Johnson. The hotel served as headquarters for both camps.

• **The Pacific Dining Car** — At 6th and Witmer, this is one of L.A.'s landmark restaurants, established in 1921. The city's political, cultural and corporate elite wheel and deal over breakfast and lunch here.

• **The Original Pantry** — Another historic restaurant, located at 9th and Figueroa, the Pantry opened in 1924 and now is owned by Los Angeles' Republican mayor, Richard Riordan. Visiting politicians, regardless of party, are often treated by the mayor to a meal at this throwback to the city's culinary past.

• **Staples Center** — The home of the NBA Champion Los Angeles Lakers at 11th and Figueroa. And, oh yes, the site of the 2000 Democratic National Convention.

• **Los Angeles Convention Center** — Conveniently located near the bottleneck at the Harbor and Santa Monica freeways, this vast complex serves as the convention media center, with parking for a measly 6,000 cars. So very L.A.

• **Los Angeles Sports Arena and Los Angeles Memorial Coliseum** — At 3939 South Figueroa, the arena was the site of the 1960 convention that nominated Kennedy,

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who delivered his acceptance speech before 80,000 people in the nearby Coliseum. The Coliseum was the site of the 1984 Summer Olympics, which, some say, was the last time L.A. really worked.

◦ **Koreatown and Little Tokyo** — These two vibrant communities are emblematic of the rising numbers of Asians and Asian-Americans in the L.A. population, and of their increasing political and economic clout. Koreatown, which begins near Western Avenue and Olympic Boulevard, was beset by simmering tensions between Asian immigrants and African-Americans that exploded in 1992 in the wake of an acquittal by an all-white jury of police officers charged in the beating of Rodney King. Little Tokyo flows out from around 1st and Los Angeles streets.

The city has become more diverse and fragmented, and so have its politics.

◦ **The Ambassador Hotel** — Now vacant, the Ambassador was the site where then-Vice President Richard Nixon conceded the 1960 election to John Kennedy. Eight years later, the mid-Wilshire hotel bore witness to the assassination of Robert Kennedy on the night he captured the June 1963 California presidential primary.

◦ **Watts** — Originally an independent town, Watts was incorporated into Los Angeles in 1926 to undercut growing voting strength among African-Americans and to prevent their domination of Watts' government. In August 1965, a traffic stop involving a white cop and a black motorist flared into civil disorder. The Watts riot lasted six days, saw 34 people killed, 1,032 injured and 3,952 arrested. Property damage spread over an 11-mile area and was estimated at $40 million. The riots thrust the city's urban problems to the surface, shook the credibility of Lyndon Johnson's War on Poverty and Great Society and threatened Democratic politicians, including Johnson and California Governor Pat Brown.

atts

◦ **Florence and Normandie avenues** — This infamous intersection in South Central L.A. was the flashpoint for the 1992 riots (see Koreatown above). The slow response of the George Bush White House, which blamed the violence on social-welfare programs, angered affected Angelenos and core Democratic constituencies. Conversely, the quick, empathetic response of presidential contender Bill Clinton served him well with those groups. The fallout laid bare frictions between the police and the city's minority communities, as well as those among minority groups themselves.

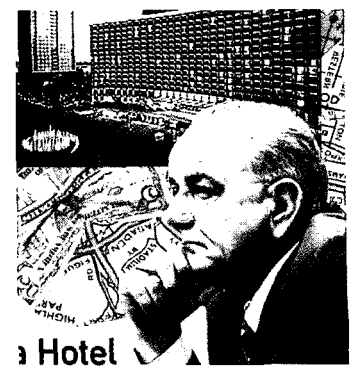
◦ **First African American Methodist Episcopal Church** — The church is a symbol of the influence of African-American clergy and churches on the city's politics and black community. First AME is a popular destination for state and national Democratic politicians and played a role in healing the community after the 1992 riots.

◦ **KMEX (Univision) and *La Opinion* newspaper** — These Spanish-language news services have become the opinion-makers among the Latino community, symbolzing the growing clout of Latino media in Los Angeles. KMEX has boasted the highest-rated local and network news program on L.A. air, while *La Opinion* is the country's largest Spanish-language newspaper in circulation. In May 1998, the two joined forces to produce the nation's first Spanish-language gubernatorial debate prior to the primary, and the four major presidential contenders sat for interviews for KMEX and Univision's statewide public-affairs program.

◦ **Hollywood** — More image than place, Hollywood symbolizes the L.A. region to most of the world. Politically, its celebrity ranks produced a governor-turned-president (Ronald Reagan), a U.S. senator (George Murphy), a member of Congress (Sonny Bono), and a member of the Legislature (Sheila Kuehl) — not to mention a font of fundraising for both Republicans and Democrats.

◦ **NBC Studios** — Located in Burbank, this complex houses "The Tonight Show," with Jay Leno, who owns the franchise for perhaps the most powerful political megaphone around. Bill Clinton is just one among a parade of national pols and presidential wannabes who have trekked onto the "Tonight" set.

◦ **Conga Room** — A trendy, upscale Hollywood night spot at 5364 Wilshire Blvd., the Conga Room is partly owned by entertainers Jimmy Smits and Jennifer Lopez and is fast becoming the hot venue for fund raisers targeting Latino movers and shakers. A June 2000 event featuring, among others, Al Gore and Latino celebrities, raised $325,000 for the Democratic National Committee.



a Hotel

◦ **West Hollywood** — A small city of 1.9 square miles located roughly nine miles from downtown, West Hollywood was founded in 1984 by seniors wanting rent control and by gays and lesbians organizing for civil rights. The city elected the nation's first

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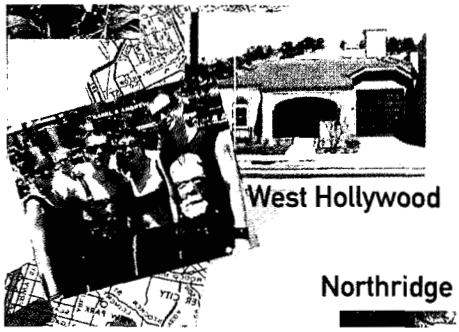

city council with a gay majority and is the hub of gay political power.

• **The House of Blues** — A Sunset Strip nightspot and favorite fundraiser venue for those seeking to connect with the young and Yuppie crowd. During the convention, the Democratic Congressional Campaign Committee is throwing a late-night party here.

• **The Westside** — Stretching from Fairfax to Malibu, the Westside is heavily Anglo, affluent and film-industry oriented. It also is shorthand for the city's politically active Jewish community, whose brick-and-mortar manifestation is the Hillcrest Country Club — a "must-schmooze stop" for candidates on the money trail.

• **Malibu and Beverly Hills** — Situated to the west of downtown, Malibu and Beverly Hills have two things in common — lots of celebrities and carloads of Democratic money.

• **The Beverly Hilton Hotel** — Now owned by Merv Griffin, this hotel served as John Kennedy's quasi-Western White House. It also was the place where, in 1962, Richard Nixon held his famous "You won't have Nixon to kick around anymore" press conference after losing the governor's race to incumbent Democrat Pat Brown.

Hsi Lai Temple

• **The Century Plaza** — Two events from opposite ends of the political spectrum took place at this hotel. In 1967, roughly 10,000 anti-war protesters marched outside while President Lyndon Johnson spoke inside. The demonstration marked a turning point in anti-war sentiment and helped nudge LBJ toward his decision not to run for re-election in 1968. Thirteen years later, the hotel hosted a victory celebration for Republican Ronald Reagan on the night he won the presidency by defeating incumbent Democrat Jimmy Carter.

• **UCLA and USC** — Crosstown rivals in sports and politics, UCLA and USC each has produced its share of politicial figures. UCLA, located in Westwood, incubated, among others, Nixon aides Bob Haldeman and John Erlichmann, as well as Congressmen Henry Waxman and Howard Berman, whose Berman-Waxman machine dominated Westside politics throughout the 1970s and '80s. USC produced, among others, Nixon press secretary Ron Zeigler, Watergate figures Donald Segretti and Dwight Chapin, former California Assembly Speaker Jesse Unruh, and a cadre of conservative Republican legislators and congressmen that includes Christopher Cox.

• **Brentwood** — Monica Lewinsky's father lives here. So, too, does Mayor Riordan, whose private residence was the scene of a $25,000-per-couple brunch this past June that raised about $1 million for cash-starved Democratic convention planners.

• **27th Congressional District** — Ground zero in this year's battle for control of the U.S. House of Representatives. A Pasadena-Glendale-Burbank district, it is now held by Republican Jim Rogan, who polled behind Democratic state Senator Adam Schiff in the March blanket primary. Once an invincible GOP bastion, this district is emblematic of the demographic and cultural changes taking place throughout L.A. County and the state.

• **Hsi Lai Temple** — Located in Hacienda Heights, this nonprofit religious center is best known as the site of that famous "finance-related" luncheon attended by Vice President Al Gore in April 1996. The smashing TV visuals of that event have become the *leitmotif* for the Democrats' 1996 fund- raising antics and a handy focus for GOP attacks on Gore.

• **The San Fernando Valley** — This sprawling Valley represents both what California was and what it has become. In the 1950s, it was overwhelmingly white (98 percent). But today, less than half the population is white, while 40 percent is Latino. In the '70s, the Valley was the incubator for the Proposition 13 tax revolt and the anti-busing movement. Now it is leading a secessionist movement joined by other disgruntled L.A. communities. Were it to secede, the new Valley city would be the nation's sixth largest. One of its communities — Northridge — was the epicenter of a devastating earthquake that shook L.A. physically, emotionally, economically and politically. The temblor's most recent victim was state Insurance Commissioner Charles Quackenbush, who resigned in July after revelations that he spent quake-victim money to enhance his own political career.

• **The Ronald Reagan Presidential Library and Museum** — Located in Simi Valley, this is the official repository of papers and memorabilia relating to the Hollywood actor who became California governor and the 40th president of the United States.

• **The Richard Nixon Library and Birthplace** — Cynics label the exhibits here "The Nixon Administration: the President's Cut." In other words, don't blink or you'll miss Watergate. Along with the humble Yorba Linda farmhouse where Nixon was born, the site includes the final resting place for both Nixon and his wife, Pat. Although outside L.A. in GOP-heavy Orange County, it is a must stop for Democrats who still fear that RN is "tan, rested and ready" for 2000.

Sherry Bebitch Jeffe, a contributing editor for California Journal, *teaches at Claremont Graduate University. Comments may be sent to* **edit@statenet.com**.

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Erratic civics

by Susan Rasky

Pity the befuddled California voter trying to make sense of two recent civic mysteries: The death of the blanket primary, smothered in the crib by the U.S. Supreme Court, and the resurrection of campaign finance restrictions, hastily pushed through the Legislature and headed for the November ballot.

There isn't much about California governance these days that doesn't cycle through the initiative ballot. It has largely replaced the Legislature not only as a source for policy-making, but also as the debating forum for that policy.

Every two years, California voters face a ballot in which many initiatives appear to be identical, or very similar to, initiatives previously voted upon. Sometimes this is because the losing side returns in hopes that persistence will pay off. But mostly it's because the courts strike down an initiative as unconstitutional and backers return to the ballot to overcome judicial objections.

> Just when the intrepid voter may have begun to comprehend the erratic civics of this state, the rules change once again.

And just when the intrepid voter may have begun to comprehend the erratic civics of this state — primaries for example are in June, except, of course, when they're in March, and primary voters, whose choices were once confined to their party can now vote for any candidate in any party, unless of course they want their ballots to actually count in the selection of a presidential nominee — the rules change once again.

To wit, the Supreme Court declaring that California's blanket primary, adopted by voters in 1996, violates the First Amendment guarantee of free association.

Twenty years ago, such a ruling might have been hailed by political thinkers as an important affirmation that groups espousing unpopular views have rights — a bulwark against the tyranny of the majority. But in the muddled world of political moderation, voters are told that they should feel deeply wronged because the "party establishment" has triumphed over the little guy and because the court has thwarted the will of the people.

The chief purveyors of the latter point — Governor Gray Davis, state Senator Steve Peace (D-El Cajon), Secretary of State Bill Jones and U.S. Representative Tom Campbell (R-Campbell) — have vowed with varying degrees of fervor to revise the primary process, perhaps in time for the 2002 elections, and thus avoid returning to the system where voters had to confine their choices to their party. It also happens that all four of these men are moderates who prosper from crossover voting.

As a first step, Peace has proposed legislation to permit political parties to include decline-to-state voters in their primaries. California Democratic Party chairman Art Torres pledges to recommend such a change but Republican leaders are so far taking a wait-and-see approach. Davis, his finger ever to the wind, swiftly endorsed Peace's legislation and then pledged "to do everything in my power to find a constitutionally permissible way to ensure California voters have as many choices as possible." Well, not all that many.

According to Davis' chief strategist Garry South, the governor opposes same-day voter registration. Too much potential for fraud, South says, or impulse voting. Does the name Jesse Ventura spring to mind?

Campbell, the politician whose failed 1992 bid for the GOP U.S. Senate nomination spurred California's blanket primary, said discussions are already under way for a new initiative on the 2002 ballot, though what it might actually contain is still uncertain.

All that said, the brief political life of the blanket primary in this state is a model of clarity compared to the Byzantine history of campaign finance initiatives. The measure voters will decide in November is a smorgasbord of contribution limits, voluntary spending limits and disclosure rules pulled together from previous initiatives both successful and unsuccessful.

The Legislature's sudden interest in the topic was prompted by the need to pre-empt an impending court decision on another piece of unfinished initiative business from 1996. That would be the attempt to square Proposition 208, a campaign finance measure voters adopted in 1996 but now is held up in the courts.

Too bad somebody doesn't propose that backers of unconstitutional initiatives be required to make formal apologies for causing voters so much confusion. Perhaps somebody will take that up someday as a ballot initiative.

Contributing Editor Susan Rasky teaches journalism at the University of California, Berkeley, Graduate School of Journalism. Comments may be sent to **edit@statenet.com.**

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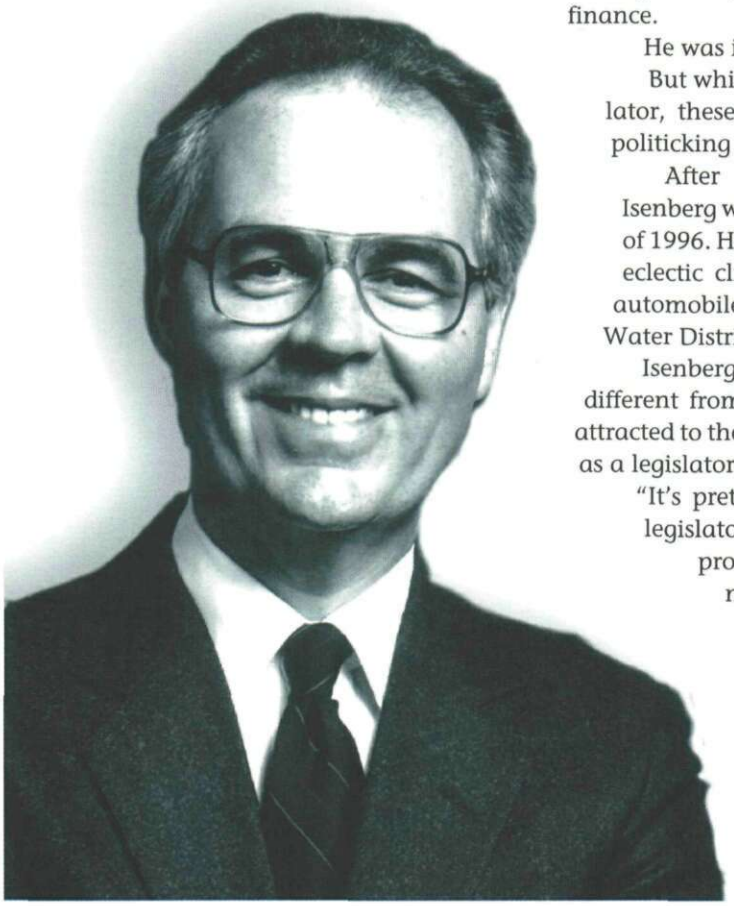
Going where the

He's not the first, but leaving the Legislature for lobbying still has Phil Isenberg in the thick of things. After 14 years in the Assembly, he's now working the other side of the political equation.

By Mary Lynne Vellinga

Sacramento — As the Legislature scrambled to take care of business before its summer recess in mid-July, Phil Isenberg's appointment book was as crammed as ever.

On a typical day, he started with a conference call to health industry officials, then met with state Senator Jackie Speier (D-Hillsborough) to discuss an HMO bill, conferred with Assemblyman Darrell Steinberg (D-Sacramento) on another piece of legislation and attended three committee hearings on topics ranging from water transfers to local government finance.



He was in the thick of things, which is where he loves to be.

But while his calendar reads like that of a hard-charging legislator, these days Isenberg's role is on the other side of Capitol politicking — that of a paid lobbyist.

After 14 years representing Sacramento in the Assembly, Isenberg was forced out of the Legislature by term limits at the end of 1996. He returned to the Capitol a year later as a lobbyist whose eclectic client list includes Indian tribes, counties, prosecutors, automobile manufacturers, hospitals, HMOs and the Metropolitan Water District of Southern California.

Isenberg professes to love his new job, which in his view is not so different from his old one. As a lobbyist, Isenberg said, he is still attracted to the thorny, politically difficult issues that appealed to him as a legislator.

"It's pretty much all the same," said the former seven-term legislator. "It's a lot of individuals and organizations that have problems and have developed solutions that may or may not relate to the problems. . . . I like to figure out what's really going on in fights as opposed to what the combatants say is going on."

At 61, Isenberg is an owlish-looking, scholarly lawyer whose sometimes preachy manner was once jokingly likened by state Senate leader John Burton (D-San Francisco) to that of a Prussian school principal.

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grass is greener

After spending 20 years in the U.S. House of Representatives and ascending to its No. 3 post, former Sacramento Congressman Vic Fazio has the connections and experience to prosper in his twilight career as a lobbyist.

By Dana Wilkie

Washington — Vic Fazio is standing, as he has many times before, on the east lawn of the nation's Capitol. His hands are clasped behind his back, and occasionally, he brings them forward and rubs his palms together, while the skin crinkles behind the glasses that rim his pale blue eyes. It's as if Fazio harbors some secret satisfaction about being at this made-for-the-camera event — this groundbreaking for a 500,000-square-foot Capitol Visitor Center that will be the first planned addition to the Capitol in 140 years.

But today, Fazio is not among the photographed, the seven or so Capitol heavyweights — Dick Gephardt, Dennis Hastert, Trent Lott — who lean red-handled shovels against perfectly pressed suits and smile thinly for reporters. Fazio is in the audience, nodding, clapping, leaning to whisper something in the ear of Rebecca Rimel, who is, with Fazio's help, leading the private effort to raise money for this center.

After the shovels are plunged and the dirt ceremoniously turned, it is Fazio who is suddenly center stage. The former Sacramento-area congressman is swarmed by people who want his attention: a television reporter looking for a quote; a senator who strides toward him with a hearty "Welcome back!"; and another who poses beside Fazio for a picture, then makes what could be the most poignant remark of the afternoon:

"You guys," this lawmaker says to Fazio with a grin, "you all look so prosperous."

"You guys" would refer to that club of lawmakers-turned-lobbyists that Fazio joined when he retired from his 3rd District House seat two years ago. The affection he still enjoys in Capitol halls is what makes him so valuable to the New York-based public affairs firm of Clark & Weinstock, whose Washington office is a 10-minute cab ride from the Capitol.

Former Democratic leader, political bridge-builder, shoulder-rubber extraordinaire — Fazio continues to use the considerable talent and experience

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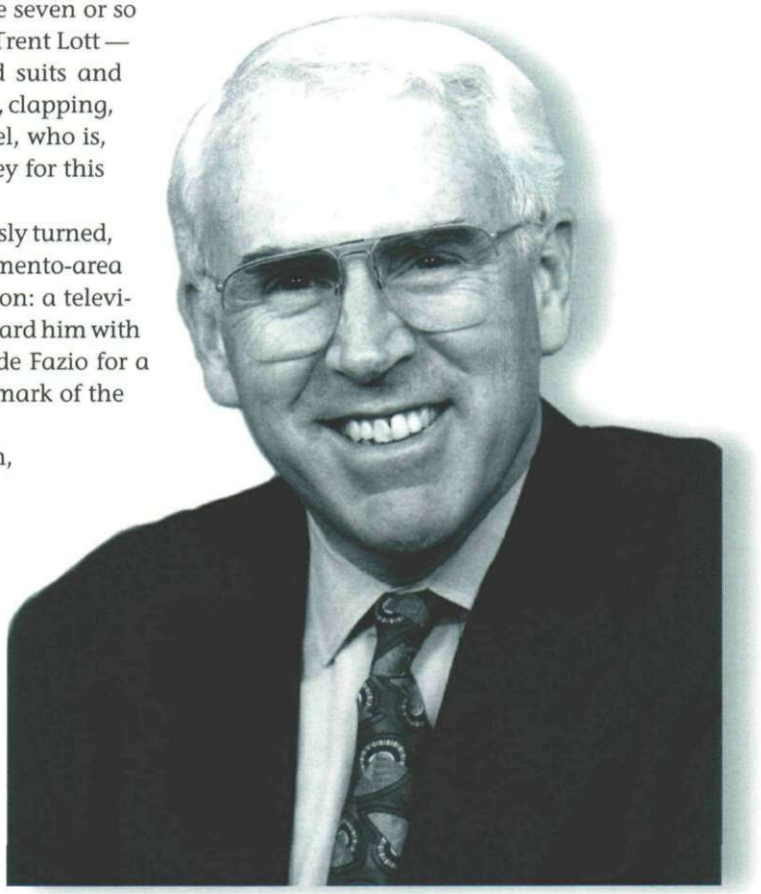

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he demonstrated in Congress, only now from the other side of the House and Senate floors.

As an advocate on issues from nursing home reimbursements to long-distance telephone service, Fazio joins the likes of former California Assemblyman Phil Isenberg and almost-House Speaker Bob Livingston (R-Louisiana), in the influential and lucrative world of lobbying. It is a natural second career for many lawmakers, who have acquired the friendships and political know-how that make them precious to firms ever in search of a competitive edge.

At the same time, it's a career that can put lawmakers at odds with the people and positions they championed while in public office.

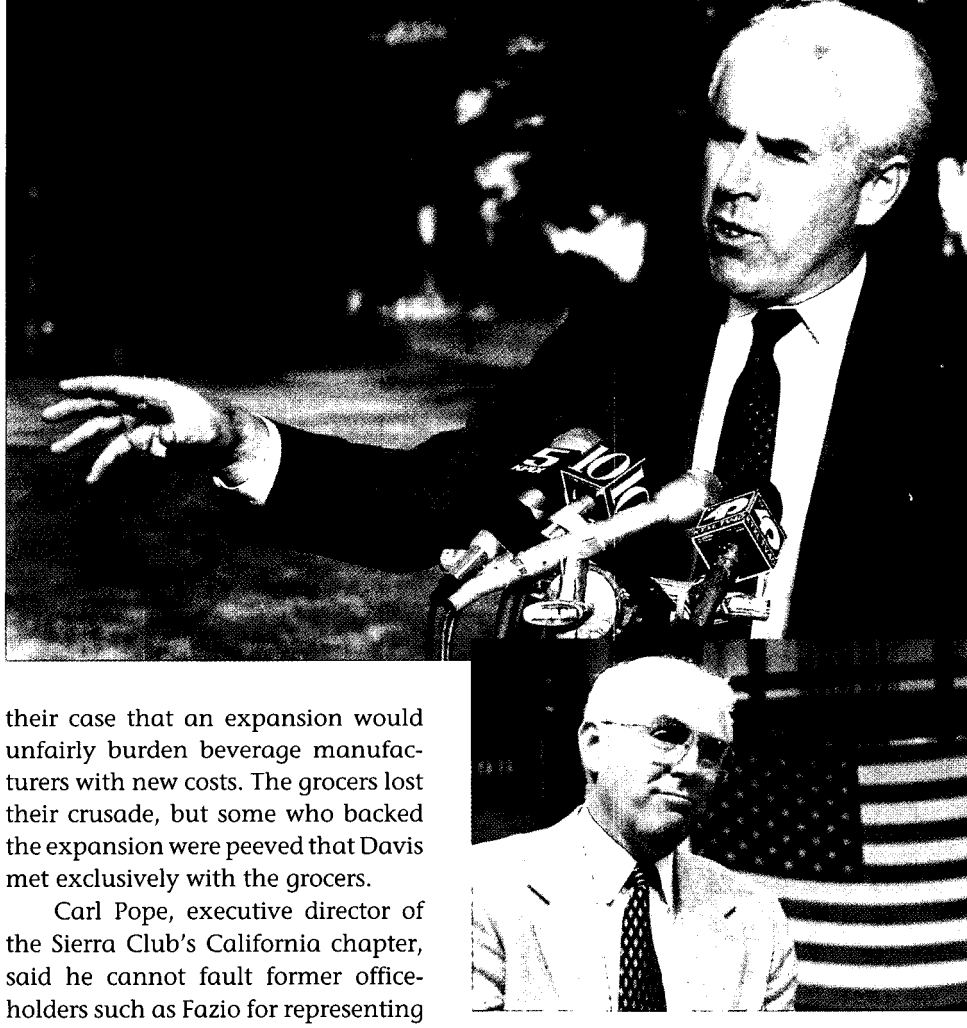
Opposing the bottle bill

There is, for instance, the case of General Electric Co., which hired Fazio and Livingston, who gave up the House speakership during President Clinton's impeachment hearings when it was revealed that Livingston himself had extramarital affairs.

GE, cited repeatedly for releasing toxic chemicals into areas surrounding its plants, wanted the pair to represent it against lawsuits and regulatory problems arising from various types of industrial water pollution. In June, Fazio and Livingston — both amiable men who were well-respected in the House — convinced former colleagues to put off an Environmental Protection Agency dredging of contaminated sediments around GE plants until a study by the National Academy of Sciences is finished.

Or, take last year's effort to expand California's landmark bottle law, which requires a deposit on beer and soft drinks in aluminum, plastic and glass containers. The Grocery Manufacturers of America opposed expanding the law to include beverages such as sports drinks, bottled water and iced tea. It hired Fazio to help with strategy.

Fazio — tight with Democratic Governor Gray Davis and briefly director of Davis' D.C. office — arranged a face-to-face meeting between Davis and the grocers so they could plead their case that an expansion would unfairly burden beverage manufacturers with new costs. The grocers lost their crusade, but some who backed the expansion were peeved that Davis met exclusively with the grocers.



Carl Pope, executive director of the Sierra Club's California chapter, said he cannot fault former officeholders such as Fazio for representing issues they might not have touched while in office. Yet Pope thinks lawmakers should not become lobbyists in the first place.

"Since they end up getting an inside edge, I think it's unfortunate that we let them do it," Pope said. "On the other hand, if the public is enamored of term limits, it has to recognize that, after being public officials, these people will have to seek some other kind of employment."

Though the California Legislature has term limits, Congress does not; Fazio relinquished his seat in 1998 partly to spend more time with his family, and partly because it was growing increasingly difficult to hang on to his Republican-leaning district, now represented by GOP Congressman Doug Ose.

Fazio's congressional career points to preservation efforts seemingly at odds with his advocacy for GE and his fight against the bottle law's expansion. During his 20 years in the House, where he rose to take the Democrats' No. 3 post, Fazio fought offshore oil drilling, promoted the cleanup of toxic waste at military installations and secured funding for California water projects. He was not always in lockstep with environmentalists — allowing farmers, for instance, to continue using the controversial pesticide methyl bromide and promoting construction of the Auburn Dam — but he will forever be remembered as a conservationist in Yolo County, where his name graces a 3,700-acre wetlands restoration project that is the largest of its kind in the West, and for which Fazio helped secure federal funding.

Pairing up with Republicans

Bruce Young, lobbyist for the California Retailers Association, which helped secure last year's expansion of the bottle law, served with Fazio in the state Assembly in the mid-1970s. He sees nothing incongruous about Fazio representing the anti-environmental side of the bottle fight.

"Like all of us who lead a public life, then move on to the private sector, we have an obligation to our new employers as much as we did to the

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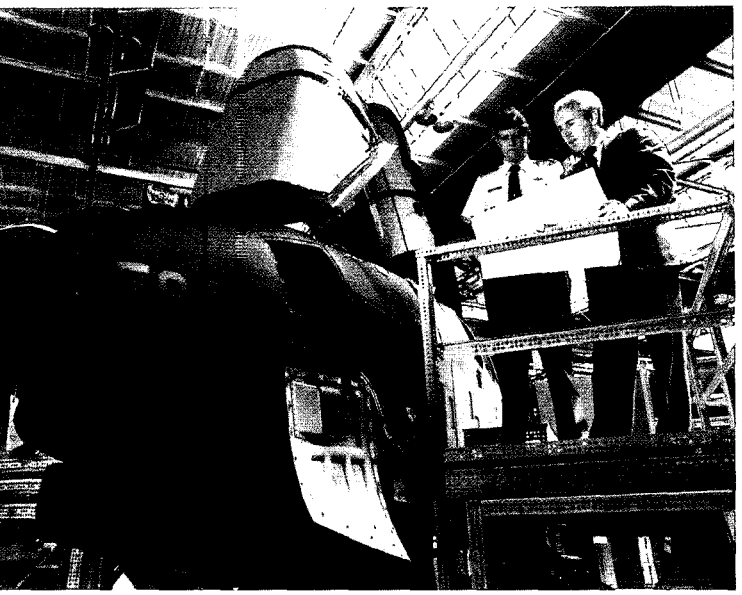
public," Young said. "He just has a different constituency now."

For his part, the 57-year-old Fazio insists there are certain issues he will always refuse to represent out of principle.



zio, as a congressman, reviews plans at McClellan Air Force Base in Sacramento.

"I think all of us here [at Clark & Weinstock] try to be sensitive to any philosophical objections one of us might have about representing a client," Fazio said.

Clark & Weinstock is dense with Republican talent. Depending on one's perspective, Fazio is either now representing typically Republican interests in Congress, or he has brought much-needed Democratic balance to the firm.

Fazio's other recent clients include AT&T, which hired Fazio to try to block the Baby Bells from offering high-speed services in the long-distance market. Another was MidAmerican Energy Holdings Co., an Iowa-based utility seeking to expand into more states. A coalition of nursing homes hired Fazio and former Republican Party chairman Haley Barbour to help boost Medicare reimbursements for nursing home services. And Microsoft paid Fazio, and a host of other well-connected Washington lobbyists, to improve its image on the Hill, which resulted in Microsoft increasing its donations to political action committees tenfold.

One of Fazio's most controversial clients is the pharmaceutical company that makes the popular anti-allergy drug, Claritin. When its patent expires, Claritin will have to compete with generic equivalents that can sell for far less. The company hired Fazio to help protect exclusive rights to one of its biggest money-making drugs.

Also lending her name to the Claritin fight was Linda Daschle, wife of Senate Democratic leader Tom Daschle. Generic drug companies complained that "insiders" such as Daschle and Fazio were able to curry favor among lawmakers. Fazio argued that "unlike generic drug manufacturers, companies that produce drugs such as Claritin conduct research that generic companies do not."

Some of Fazio's clients made healthy contributions to his re-election campaigns. They include the Grocery Manufacturers, AT&T and General Electric. Hospitals and nursing homes gave him more than $24,000 for his 1996 re-election, while pharmaceutical companies gave him $16,500. Northrop Grumman, the defense contractor that is among the former congressman's top contributors, in February put Fazio on its board of directors.

Many good-government groups view lawmakers-turned-lobbyists as just one more example of the Washington "insider" mentality that leaves the general public feeling alienated from Congress.

"Where we see a problem is if elected officers, while still in office, give preferential treatment to some of these interests, knowing they might be feathering their own bed once they leave office," said Derek Cressman, Democracy Campaign director for the Public Interest Research Group.

Hot commodities

Isenberg, who became a lobbyist in 1997, believes that state and federal laws requiring retired lawmakers to wait one year before becoming lobbyists are designed to counter fears of undue influence.

"I don't know of any other occupation where it's suggested you give up your constitutional right to earn a living once you've served in office," said Isenberg, who left the Assembly in 1996.

Still, the reform-minded in Congress would make that moratorium longer. Senator Russ Feingold, Wisconsin Democrat, last year pushed a plan requiring lawmakers to wait two years before buttonholing their former colleagues in Congress. Feingold tried to convince Congress that "a crucial part of the culture of special-interest influence that pervades Washington is the revolving door between public service and private employment." His bill went nowhere.

In essence, current law allows lawmakers to get started on their lobbying enterprises almost right away. As soon as they leave office, they can sell advice and counsel to corporate clients and hire underlings to make formal contacts with House and Senate members. They must simply wait a year before phoning former colleagues on behalf of a client.

Once the yearlong waiting period has passed, lawmakers such as Fazio, Isenberg and Livingston become hot commodities on the Hill, and no doubt their heads are turned by the healthy pay after years in government employ. Clients turn to such men because their names get phone calls answered, get meetings arranged, and better ensure a full hearing on a given issue. In Congress and the California statehouse, doors that are typically shut tight will open wide for someone with a name like Fazio.

Contributing Editor Dana Wilkie is the Washington correspondent for the San Diego Union Tribune. Her profile of U.S. Representative Mary Bono appeared in the March 1999 issue of this magazine. Comments may be sent **to edit@statenet.com.**

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Phil Isenberg

Continued from page 46

Phil Isenberg (far right) with former KVIE CEO Van Gordon Sauter and Kathleen Brown, former gubernatorial candidate.

No moral dilemmas

Isenberg sees no moral dilemma in representing even his most potentially controversial clients, such as Cadiz Inc., a company whose plan to extract and sell water from beneath its Mojave Desert land has attracted criticism from federal scientists. Or the southern California water district currently engaged in a fight to maintain control over its distribution system. Complicated issues like water policy and health care, he said, rarely boil down to a simple matter of good guys vs. bad guys.

"I don't do tobacco, I don't support the gun industry, and if anyone asks me to do something illegal, I'm not going to do it," Isenberg said. "But having said that, you can't be alive very long before you realize that issues aren't as simple as you thought when you were young."

When Isenberg joined the Sacramento law firm of Hyde, Miller, Owen & Trost in 1997, the firm had no lobbying presence to speak of in the Capitol. Unlike most law firms and public relations shops that specialize in influencing lawmakers and state officials, Hyde, Miller is not located near the Capitol. Instead, its offices are located in an area near the county and federal courthouses and city hall, where Isenberg served 11 years on Sacramento's city council.

"We call this the 'real' Sacramento," Isenberg said during an interview in his fourth-floor office in the historic Travelers building at Fifth and J streets.

When he first joined the law firm, which specializes in local government work, Isenberg said he expected to do consulting for clients who primarily needed help dealing with government regulations, but soon found himself asked to do work that he believed fit the legal definition of lobbying. Proposition 112, passed by voters in 1990, requires former legislators to wait a year after leaving office to become lobbyists. Isenberg registered as soon as his year was up.

"There are always gray areas, and I think you should always resolve the gray areas in favor of registration," Isenberg said.

He and fellow lobbyist Maureen O'Haren, who joined the firm around the same time, now count a list of about 30 clients between them. They spend about 40 percent of their time on health care issues, representing individual companies such as Kaiser Foundation Health Plan Inc. and Health Plan of the Redwoods, as well as industry groups such as the California Association of Health Plans and the California Association of Hospitals and Health Systems.

Changing sides

Assemblywoman Sheila Kuehl (D-Santa Monica), one of Isenberg's former Assembly colleagues, recalls that Isenberg testified on behalf of Kaiser against her bill forbidding health plans from forcing consumers to agree to arbitration on any potential disputes as a condition of obtaining health insurance. The bill passed in committee but later died on the Assembly floor. Isenberg, representing the California District Attorneys Association, also opposed Kuehl's successful effort to wrest control of the child support collection system from county prosecutors, who had come under heavy criticism for failing to aggressively collect delinquent payments.

But Kuehl isn't perturbed that her former colleague is now a potential adversary. "It certainly doesn't bother me that former legislators are being compensated to advocate," Kuehl said. "I believe there ought to be strong and intelligent testimony for and against any bill that needs some kind of elucidation and is controversial. Phil Isenberg is enormously capable. It doesn't bother me that he's opposing my bill any more than it did when he was in the Legislature and we didn't agree on something."

In his new career, Isenberg tends to lobby in the same areas he focused on as a lawmaker – and, in some cases, as mayor of Sacramento from 1975-82.

For instance, as an Assemblyman, Isenberg co-authored legislation to ease water transfers within the state; as a lobbyist, he is now advising the Metropolitan Water District in its long-standing battle with the San Diego County Water Authority over San Diego's desire to import water from the Imperial Valley using the Met's water delivery system.

Water issues in California are complex, arcane and full of political intrigue, an alluring combination for someone like Isenberg.

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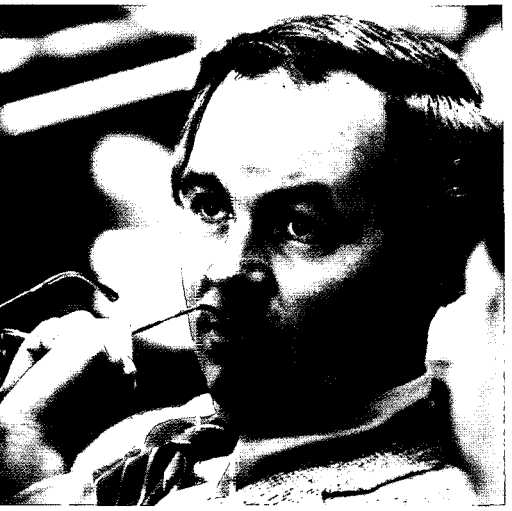

"I did water because I had done water as a mayor and as a legislator, and I knew something about it," Isenberg said. "The water fights in California are just delicious."

Isenberg also has considerable expertise in the health care arena. As a lawmaker, he used legislation to pressure Blue Cross into setting up a $3 billion charitable foundation when it converted to for-profit status. As a lobbyist, he represents the interests of for-profit health plans.

Tribal alliances

During his last few years in the Legislature, one of the topics on which Isenberg worked hardest was gambling regulation. An outspoken critic of legalized gambling, he spent four years pushing legislation sponsored by then-Attorney General Dan Lungren to impose stricter regulations on California card rooms. So it seemed curious to some in January 1998 when he announced that he would represent the Alliance of California Tribes, a new group that included several tribes with casinos.

But the alliance has pushed an economic development agenda for tribes that is largely unrelated to gambling. As its lobbyist, Isenberg successfully inserted a provision into two park and water bonds approved on the March ballot that makes Indian tribes eligible to apply for bond money. This year, he is promoting a bill that would pressure health plans to provide coverage to tribes. The legislation also would require the state to conduct a study of Native American health conditions in California.

"We're very fortunate and pleased to be working with him," said Alliance spokeswoman Jorgi Boom. "He's in the trenches. He really is. He works very hard."

Isenberg considers his work for tribes the most significant accomplishment thus far in his lobbying life. "There's a moral center to tribal issues," Isenberg said. "They're a group of people who have been sadly abused in American society... It is truly fascinating to watch them operate in a changing environment."

As a highly respected legislator, Isenberg almost certainly enjoys an edge when he walks into the Capitol to lobby his former colleagues.

The Assembly Health Committee, for instance, is currently chaired by Assemblyman Martin Gallegos, a San Gabriel Valley Democrat who was Isenberg's Assembly floor seatmate in 1994 when Gallegos first arrived in Sacramento. He still considers Isenberg a tremendous mentor.

"I'm not surprised that he's doing well in the private sector, because his reputation around here is legendary," Gallegos said.

Yet in the era of term limits, which eventually will force out every legislator who once served with Isenberg, Kuehl thinks the benefits derived from being a former lawmaker may be relatively short-lived.

"What kind of advantage does Phil have with those that came in after 1996? They don't even know him," Kuehl said. "So I'm not certain it does give him that great an advantage other than an understanding of how the building works. And I would say there are 50 lobbyists with a deep understanding of how the building works."

Political reformers see the move from lawmaker to lobbyist as fraught with potential conflict. They fear that some legislators, hoping to land a sweet lobbying job after leaving office, might give special treatment to certain interest groups while still in the Legislature. It was this worry, fed by an FBI investigation of Capitol corruption, that contributed to the passage of Proposition 112, which imposed the one-year lobbying ban on former legislators, said Kim Alexander, president of the California Voter Foundation and a former policy analyst at California Common Cause.

"The thing the public needs to watch out for is if someone is abusing their position of power while still in office," Alexander said.

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Isenberg said he scrupulously avoided any discussions with potential employers while still in office. "People wanted to talk to me, and I said, 'Don't talk to me until I'm done,'" Isenberg said.

The one-year, revolving-door ban on lobbying by former legislators serves as a pretty effective punctuation mark between the two careers, he added.

Those who came before

Around the Capitol, a lobbyist like Isenberg is still relatively rare in committee hearing rooms and hallways.

The 2000 Lobbyists/PACs Directory lists about two dozen former legislators, among them Robert Campbell, Dennis Carpenter, Curtis Tucker Jr. and the late Joe Gonsalves. Perhaps the most flamboyant is Assemblyman Dick Floyd (D-Wilmington), who left the Legislature in 1992 after chairing the "juice" committee, Governmental Organization, went to work as a lobbyist for card clubs, and continued lobbying inside the Capitol even after he won a primary race to return to the Legislature in 1996.

Instead, the career path for most termed-out lawmakers seems to be running for higher office, but there was no state Senate seat available when Isenberg left the Legislature.

A former Assembly colleague of Gray Davis, Isenberg had the option of permanently joining the new Davis administration, after helping the transition team put together the governor's first budget. Isenberg was reportedly considered for the state finance director's post, but chose to stay with Hyde, Miller, where he practices some law in addition to lobbying.

Isenberg continues to teach political science as well, including this past semester at the University of California, Berkeley, where he co-taught with state Senator Patrick Johnston (D-Stockton) a class called "The Scrum of Public Politics," referring to the pileup of players on a rugby field that makes it difficult to keep an eye on the ball.

"I didn't want to make another life shift less than two years after making a previous change," Isenberg said of his decision not to join the Davis administration.

Gene Erbin, a lobbyist who worked as a consultant to the Assembly Judiciary Committee when Isenberg was its chairman, said lobbying is a natural fit for Isenberg.

"I think he's as happy as he ever was," Erbin said of his former boss. "I think he finds the work intellectually stimulating, which is very important to Phil. I think he also finds it fulfilling from a moral perspective."

Ultimately, lobbying and legislating involve the same process, Erbin said. "You still have to make deals happen... Guys like Isenberg and (congressman-turned-lobbyist) Vic Fazio love it. They're not embarrassed by it."

Mary Lynne Vellinga, formerly a Sacramento Bee *Capitol bureau reporter, now covers urban affairs for the newspaper. Comments may be sent to* **edit@statenet.com.**

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Forging a new start across the border

by Emelyn Rodriguez

In Mexico, it is a time for new beginnings. There is a new democracy. A new president. An historic election toppling 71 years of single-party rule.

These monumental changes come on the heels of a quieter, more symbolic development between Mexico and California, one of its biggest trading partners.

Until recently, California-Mexico relations have been in a deep freeze. The roots can be traced to 1994, when voters passed the anti-illegal immigration Proposition 187, a measure then-Governor Pete Wilson championed.

Only last year, when Governor Gray Davis traveled to Mexico City to meet with outgoing Mexican President Ernesto Zedillo, did relations begin a gradual thaw — a process that promises to continue under the new leadership.

President-elect Vicente Fox

Nearing the close of his six-year term ending decades of dominance by the Revolutionary Institutional Party (PRI), Zedillo provided a rare glimpse of this troubled time.

"I am not a person who resents things too long," said a pensive but visibly relaxed Zedillo during an interview with a dozen U.S. editors at the sprawling, elegantly kept "Los Pinos," the Mexican White House.

"Well, it's true. I was never in California during Governor Wilson's tenure," said Zedillo, deliberately weighing his words. "As far as I remember, [Wilson] never visited Mexico during his term. So we did not have a relationship at all. And every time that he made expressions that we thought were not fair or proper, well, we spoke out."

Zedillo gives Davis high marks for mending the rift by visiting Mexico City immediately after his election. "[Davis] was very kind, and he stated very clearly that he wanted for California to restart a closer and certainly more friendly relationship with Mexico," Zedillo said. "We have retaken with new impetus many initiatives in the economic, and the cultural and the social fields."

Zedillo noted that the change in attitude toward Mexico coincided with California's economic recovery. "When Governor Wilson started this rather negative position toward Mexico, the economy of California was not in its best shape," he said. "That changed and that has also influenced social and cultural attitudes for the better."

Some say improved relations are evident in ever-increasing California exports to Mexico. In 1999, Mexico was the Golden State's top export market with sales of $14.9 billion, an 11.8 percent rise over 1998.

"These numbers demonstrate that the efforts we began last year to improve relations with Mexico are already paying dividends for the people of California," David said in a statement this year.

Of course, much of the increase is due to NAFTA, which expanded free trade between the nations. In NAFTA's first six years, California exports to Mexico rose nearly 129 percent.

And despite frosty California-Mexico relations during the Wilson years, trade was rising even then, with the exception of a slight but noticeable dip after passage of Proposition 187. In fact, California exports to Mexico have grown steadily since the 1980s when Governor George Deukmejian opened a trade office there.

At best, improved California-Mexico relations have so far brought intangible benefits, things like goodwill, respect and increased cooperation.

President-elect Vicente Fox of the center-right National Action Party (PAN) says he hopes a stronger relationship will yield more quantifiable results, especially in the areas of immigration, trade and the war on drugs.

Fox, 58, a charismatic rancher and former Coca-Cola executive, said he hopes to extend the ties he formed with California as governor of Guanajuato state in 1995, a bond built through trade in textiles, agriculture and high-tech.

"[California] should be one state where we have a very close relationship and build up a better future," said an animated confident Fox, appearing under TV camera lights in a separate chat with U.S. editors at a Mexico City hotel.

As Fox sees it, California can be a pivotal to achieving mutual goals. "If we have wisdom, intelligence and vision, we should be able to... have these objectives met — the ending of migration and the narrowing of the gap in income and narco-trafficking and drugs."

It seems Fox is as intent as Zedillo in wiping the slate clean, in forging a new start.

It's a change that can someday be truly revolutionary.

Senior Editor Emelyn Rodriguez conducted these interviews while traveling with the American Society of Newspaper Editors in Mexico City, weeks prior to the July 2 Mexican elections.

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ONE IN A SERIES

[Instead of protecting the people of California...]

Why has Gov. Davis hijacked California's tobacco settlement?

Last year, when California won a gigantic settlement from Big Tobacco, taxpayers naturally expected at least some of the money would be used the way the lawsuit intended: to help make California tobacco-free.

But that's not how it's turned out.

Governor Davis actually vetoed a bill that dedicated a portion of the settlement to tobacco prevention, then dumped the state's yearly share, $500 million, into the General Fund. *What gives?*

FACT: Since Gray Davis has been governor, not one hard-hitting anti-tobacco campaign has been launched by the State of California.

FACT: Big Tobacco is spending 20% *more* to promote its deadly products, up to *$6.7 billion* annually, while the state is spending *less* on tobacco control.

FACT: Governor Davis *has not spent a dime from the tobacco settlement* on our state's anti-tobacco programs.

Smoking rates continue to drift downward because of voter-approved tobacco taxes and Big Tobacco's own price hikes, not because the state is doing all it can do and must do to educate young people and help smokers to quit.

84% of California voters agree tobacco settlement funds should be spent to help people stop smoking and prevent youth from starting. So do newspaper editorials from San Diego to San Francisco. Why has Governor Davis refused to fully fund life-saving programs?

In fact, the U.S. Centers for Disease Control consider California's anti-tobacco funding far below the minimum required.

Instead of treating the tobacco settlement as a budgetary slush fund, 20% of the state's share, about $105 million a year, should be directed to state anti-tobacco efforts immediately.

The tobacco settlement is a historic chance for California to become tobacco-free. Urge Governor Davis to do the right thing.

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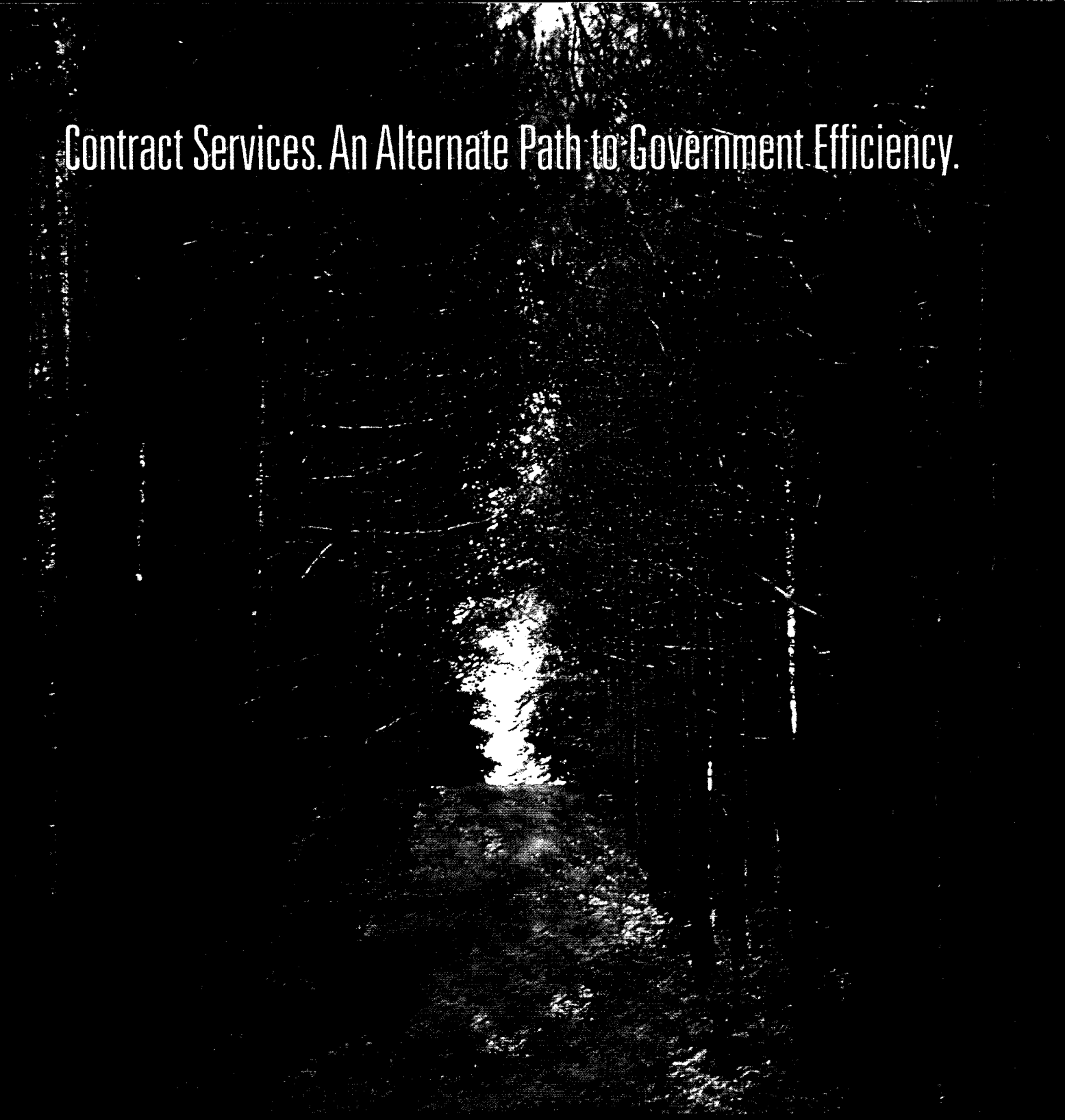

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